



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

GENESEE COUNTY EMPLOYEES'
RETIREMENT SYSTEM, LABORERS'
DISTRICT COUNCIL AND
CONTRACTORS' PENSION FUND OF
OHIO, and THINK INVESTMENTS LP,

Plaintiffs,

v.

SALIM NATHOO, ROHAN HALDEA,
IAN DAVIS, GINA LOFTEN,
MICHAEL SUTCLIFF, APAX
PARTNERS LLP, TURING EQUITYCO
II L.P., and APAX IX GP CO. LIMITED,

Defendants.

C.A. No. 2025-0346-BWD

**PUBLIC [REDACTED]
VERSION AS FILED
ON APRIL 8, 2025**

VERIFIED CLASS ACTION COMPLAINT

Plaintiffs Genesee County Employees' Retirement System, Laborers' District Council and Contractors' Pension Fund of Ohio, and Think Investments LP on behalf of themselves and similarly situated former common stockholders of Thoughtworks Holding, Inc. ("Thoughtworks" or the "Company"), bring this Verified Class Action Complaint ("Complaint") against Salim Nathoo, Rohan Haldea, Ian Davis, Gina Loftan, and Michael Sutcliff (together, the "Individual Defendants") and Apax Partners LLP, Turing EquityCo II L.P., and Apax IX GP Co. Limited (together, "Apax" and collectively with the Individual Defendants, the

“Defendants”), arising from Apax’s controller squeeze-out of Thoughtworks’ minority stockholders and acquisition of Thoughtworks for \$4.40 per share in cash (the “Squeeze-Out”).

The allegations in the Complaint are based on Plaintiffs’ knowledge as to themselves and on information and belief, including counsel’s investigation, review of books and records produced by the Company in response to Plaintiffs’ demands (the “Demands”)¹ made pursuant to 8 *Del. C.* § 220 (the “Books and Records”),² and review of publicly available information, including Thoughtworks’ Schedule 14C filed with the U.S. Securities and Exchange Commission on October 21, 2024 and the supplements thereto (together, the “Information Statement”).

NATURE OF THE ACTION

1. This case arises from an opportunistic and unfair squeeze-out merger of Thoughtworks by its controlling stockholder, Apax. At all relevant times, Apax exercised voting and managerial control over Thoughtworks through its ownership of approximately 61.7% of Thoughtworks’ common stock and its representation on Thoughtworks’ board of directors (the “Board”). This allowed Apax to control all aspects of the Company including its management, operations, and corporate

¹ The Demands are attached hereto as Exhibits A, B, and C.

² The Company certified completion of its production of Books and Records on January 28, 2025. Ex. D.

governance and afforded Apax unique insider knowledge of the Company's financial prospects. Apax also made clear that it would not entertain competing take-private acquisition offers for Thoughtworks. Apax utilized this control and insider knowledge to opportunistically purchase the outstanding Thoughtworks shares from the Company's minority stockholders at an unfairly low price in the Squeeze-Out that closed on November 13, 2024 without a minority stockholder vote.

2. Apax offered to acquire Thoughtworks for \$4.00 per share in March 2024 (the "Initial Offer") with the knowledge that the Company was facing temporary, sector-wide headwinds, but was on course to sustain growth. In fact, in June 2023, less than a year prior to the Initial Offer, Apax agreed to pay \$12.00 per share to acquire the Company before backing out of negotiations. At the time of the Initial Offer, Thoughtworks was attempting to hire a new CEO, had recently failed to meet revenue targets, was still pressured from the earlier failed negotiations with Apax in 2023, and was trading near an all-time low stock price.

3. However, Apax also knew that the Company was forecasting positive results going forward and the appointment of a new CEO would improve the Company's value. Apax used its superior insider knowledge of the Company's prospects and its control to capitalize on the Company's seemingly vulnerable state and preclude Thoughtworks from seeking other bidders willing to pay a higher price.

In particular, Apax refused to sell its shares and ensured that only Apax could acquire the Company.

4. In the face of a controlling stockholder's bid, one would have expected faithful fiduciaries to implement meaningful procedural safeguards to ensure the Company's minority stockholders would receive a fair price. That did not happen. Instead, Apax prevented the Company from conditioning the Squeeze-Out on a majority of the minority vote. Further, the Apax-controlled Board only "empowered" a conflicted committee of four Apax directors (the "Special Committee") to "negotiate" the Squeeze-Out on behalf of Thoughtworks. The Apax-controlled Board did not mandate that the Special Committee consider the interests of minority stockholders when negotiating the Squeeze-Out. Worse still, the Special Committee hired Lazard Freres & Co. LLC ("Lazard") as its financial advisor, despite the fact that Lazard also represents Apax and was financially incentivized to ensure the Squeeze-Out was consummated.

5. Apax's superior knowledge of Thoughtworks' financial prospects, coupled with the Board's failure to implement sufficient procedural safeguards, resulted in an unfair price for minority stockholders. The Special Committee acted with a controlled mindset and did not utilize Apax's previous offer of \$12.00 per share as a baseline in negotiations. Nor did the Special Committee terminate

negotiations when Apax's offers were consistently below or at the low end of Company valuations. Apax and the Special Committee also failed to credit the value created by the Company's newly-appointed CEO in the Squeeze-Out price.

6. As a result of Apax's control of the Squeeze-Out negotiations and the Special Committee's controlled mindset, the Squeeze-Out price fell at the low end of—and in some instances below—the valuation ranges within the analyses conducted by Lazard. Lazard created financial analyses throughout the negotiation process which showed that \$4.40 per share was an unfair price. In fact, Lazard refused to issue a fairness opinion until Apax made a nominal *15 cent* increase in its offer price at the Squeeze-Out's eleventh hour.

7. The Squeeze-Out was unfair to Thoughtworks' minority stockholders because it undervalued the Company, was negotiated by conflicted Thoughtworks' fiduciaries and advisors who acted with a controlled mindset, was not subjected to competitive bidding, and was not conditioned on a majority vote of the Company's minority stockholders. Apax also harmed the Company's value when it "left the Company at the altar" and backed out of negotiations in July 2023.

8. In light of this patently unfair negotiation process and resulting unfair price, Plaintiffs seek redress for the class of former Thoughtworks minority stockholders.

PARTIES AND RELEVANT NON-PARTIES

I. PLAINTIFFS

9. Plaintiff Genesee County Employees' Retirement System was, at all relevant times, a beneficial owner of Company common stock.

10. Plaintiff Laborers' District Council and Contractors' Pension Fund of Ohio was, at all relevant times, a beneficial owner of Company common stock.

11. Plaintiff Think Investments LP was, at all relevant times, through the funds it manages, a beneficial owner of Company common stock. Think Investments LP was a long-term holder of Thoughtworks common stock and was the Company's largest minority stockholder with 28,590,702 shares at the close of the Squeeze-Out, which is more than 20% of the Company's public float.

II. DEFENDANTS

A. The Controller: Apax

12. Defendant Apax Partners LLP ("Apax Partners") is a limited liability partnership formed under the laws of the United Kingdom. Apax regularly conducts its investment activities through Delaware entities it controls and manages and has otherwise purposefully availed itself of the benefits of Delaware law.³

³ For example, Delaware's corporate registry contains more than 50 other entities with names beginning with "Apax," all or most of which are affiliates of Apax Partners. Apax also formed Thoughtworks, f/k/a Turing Holdings Corp., as a Delaware corporation. Apax

13. Apax has been invested in Thoughtworks since October 2017. Apax executives Salim Nathoo and Rohan Haldea have served on the Board since that time.

14. Defendant Turing EquityCo II L.P. (“Turing EquityCo”) is a limited partnership formed under the laws of Guernsey. At all relevant times, Apax Partners controlled Turing EquityCo and directed its day-to-day activities. Turing EquityCo directly owned 197,750,138 shares of Company Common Stock, representing 61.7% of the Company’s shares at the time of the Squeeze-Out.

15. Defendant Apax IX GP Co. Limited (“Apax IX GP”) is a limited company formed under the laws of Guernsey and is the general partner of Turing EquityCo. At all relevant times, Apax Partners controlled Apax IX GP and directed its day-to-day activities.

16. Defendants Apax Partners, Turing EquityCo, and Apax IX GP are collectively referred to herein as “Apax”, unless indicated otherwise.

B. The Individual Defendants

17. Defendant Salim Nathoo has served as a member of the Board since October 2017, including following the close of the Squeeze-Out. Nathoo joined

Partners directs the day-to-day activities of its investment funds and asserts discretionary control over the funds’ investments.

Apax in 1999 and is currently a partner in Apax's Tech & Telco Team. Nathoo serves on Investment Committees for various Apax vehicles and on boards of directors of numerous Apax portfolio companies. Nathoo actively negotiated the Squeeze-Out on behalf of Apax and against the Special Committee.

18. Defendant Rohan Haldea has served as a member of the Board since October 2017, including following the close of the Squeeze-Out. Haldea joined Apax in 2007 and is currently a partner in Apax's Tech & Telco Team. Haldea also serves as co-CEO of the Apax Foundation, an affiliate of Apax Partners.

19. Defendant Ian Davis has served as a Company director and Chair of the Company's Board since June 2021, before the Company's IPO, and he remains Chair of the post-Squeeze-Out Company's Board. Davis serves as an advisor to several private firms and companies, including as a senior advisor to Apax Partners.

20. Defendant Gina Loftin has served as a member of the Board since July 2017. Loftin remains on the Board following the close of the Squeeze-Out. Loftin worked at Microsoft USA for 15 years, including as Chief Technology Officer from 2019 to 2021. Loftin appears to be retired and rely on Thoughtworks for approximately half of her annual income. Loftin's only other publicly reported source of income appears to be from her role as a director of TTEC Holdings, where

she received \$282,488 in director fees in 2023. In 2023, Lofton received \$261,729 in director fees from Thoughtworks.

21. Defendant Michael Sutcliff has served as the Company's CEO and a director since June 17, 2024, when he replaced Guo Xiao ("Xiao"). Sutcliff's Employment Agreement entitled him to a \$750,000 signing bonus, a \$750,000 annual base salary, a target annual bonus of \$750,000, an annual grant of unvested stock units worth \$3,685,500, and an additional 3,600,000 performance-based restricted stock units in his first year. Sutcliff also invested \$250,000 alongside Apax in the Squeeze-Out and he remains the Company's CEO and a member of the post-Squeeze-Out Board.

III. RELEVANT NON-PARTIES

22. Non-party Thoughtworks Holding, Inc. ("Thoughtworks" or the "Company") is a global technology consultancy that integrates strategy, design and engineering to drive digital innovation. Thoughtworks was formed as a Delaware corporation in or around October 2017 as Turing Holding Corp., and, from its September 17, 2021, IPO until consummation of the Squeeze-Out, was a publicly traded company controlled by Apax.

23. Non-party Lazard Freres & Co. LLC ("Lazard") served as the Special Committee's financial advisor in connection with the Squeeze-Out. While serving

as the Special Committee’s advisor, Lazard was also concurrently representing Apax on a “fund-raising assignment” where it stood to make at least \$500,000.

24. Non-party Goldman Sachs & Co. LLC (“Goldman”) served as Apax’s financial advisor in connection with the Squeeze-Out.

25. Non-party Potter Anderson & Corroon LLP (“Potter Anderson”) served as one of the Special Committee’s legal advisors in connection with the Squeeze-Out. Potter Anderson has also represented Apax in litigation before this Court.

26. Non-party Kramer Levin Naftalis & Frankel LLP (“Kramer Levin”) served as one of the Special Committee’s legal advisors in connection with the Squeeze-Out.

JURISDICTION AND VENUE

27. This Court has subject-matter jurisdiction pursuant to 10 *Del. C.* § 341.

28. This Court has personal jurisdiction over the Director Defendants pursuant to 10 *Del. C.* § 3114.

29. Apax has implicitly consented to this Court’s personal jurisdiction. In connection with the Company’s IPO, Apax caused Thoughtworks to adopt its Fourth Amended and Restated Certificate of Incorporation, which included the following exclusive forum selection clause, which provides in relevant part in Article 11:

Section 1. Exclusive Forum.

(a) Unless this Corporation consents in writing to the selection of an alternative forum, (A) the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the United States District Court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by, or other wrongdoing by, any Director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, creditors or other constituents, or a claim of aiding and abetting any such breach of fiduciary duty, (iii) any action asserting a claim against the Corporation or any Director or officer or other employee of the Corporation arising pursuant to any provision of the DGCL or this Restated Certificate or the Bylaws of the Corporation (as either may be amended, restated, modified, supplemented or waived from time to time), (iv) any action to interpret, apply, enforce or determine the validity of this Restated Certificate or the Bylaws of the Corporation, (v) any action asserting a claim against the Corporation or any Director or officer or other employee of the Corporation governed by the internal affairs doctrine or (vi) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL. For the avoidance of doubt, this Section 1(a) of ARTICLE ELEVEN shall not apply to any action or proceeding asserting a claim under the Securities Act of 1933 or the Exchange Act of 1934, each as amended.

...

Section 2. Notice. Any Person purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation (including, without limitation, shares of Common Stock) shall be deemed to have notice of and to have consented to the provisions of this ARTICLE ELEVEN.⁴

⁴ Thoughtworks Holding, Inc., Current Report (Form 8-K) (Sept. 20, 2021), at Ex. 3.1.

SUBSTANTIVE ALLEGATIONS

I. APAX CONTROLLED THOUGHTWORKS

30. Apax controlled Thoughtworks at all relevant times. Apax owned 77% of Thoughtworks prior to its September 2021 IPO and 65% of Thoughtworks immediately following the IPO. Apax maintained majority ownership and control of Thoughtworks through the closing of the Squeeze-Out, when it owned 61.7%.

31. As a result of its control, Apax was able to select each of the Company's nine directors and ten named executive officers at the time of the Company's IPO. Eight of the nine directors who were chosen by Apax at the time of the IPO remained on the Board through the close of the Squeeze-Out. The sole exception was Xiao, who was replaced by Defendant Sutcliff as CEO in the middle of the Squeeze-Out negotiation process.

32. In connection with the Company's IPO, the Company and Apax executed a Director Nomination Agreement, dated September 17, 2021, which codified Apax's right to nominate a majority of the members of the Board.⁵ Apax designated Defendants Haldea and Nathoo as its director nominees.

⁵ The Director Nomination Agreement also granted Apax a consent right over a litany of corporate actions.

33. Thoughtworks admitted in its public filings Apax had complete control over the Company, its leadership, and its operations:

The Apax Funds control us, and their interests may conflict with ours or yours in the future.

The Apax Funds indirectly beneficially own approximately 61.3% as of December 31, 2023, of our common stock. As a result, the Apax Funds are able to control the election and removal of directors on the Board and thereby determine our corporate and management policies, including potential mergers or acquisitions, payment of dividends, asset sales, amendment of our certificate of incorporation or bylaws, and other significant corporate transactions for so long as the Apax Funds and their affiliates retain significant ownership of us. This concentration of our ownership may delay or deter possible changes in control of the Company, which may reduce the value of an investment in our common stock. Even when the Apax Funds cease to own shares of our stock representing a majority of the total voting power, for so long as the Apax Funds continue to own a significant portion of our stock, the Apax Funds will still be able to significantly influence the composition of our Board and the approval of actions requiring shareholder approval. Accordingly, for such period of time, the Apax Funds will have significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers, decisions on whether to raise future capital, and amending our charter and bylaws, which govern the rights attached to our common stock. In particular, for so long as the Apax Funds continue to beneficially own a significant percentage of our stock, the Apax Funds could cause or prevent a change of control of the Company or a change in the composition of our Board and could preclude any unsolicited acquisition of us. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of us and ultimately might affect the market price of our common stock.⁶

⁶ Thoughtworks Holding, Inc., Annual Report (Form 10-K) (Feb. 27, 2024), at 28-29.

II. A YEAR BEFORE THE SQUEEZE-OUT, APAX CONSIDERED AN ACQUISITION AT \$12 PER SHARE

34. On September 21, 2021, Apax took Thoughtworks public through an IPO priced at \$21 per share. Thereafter, the Company faced headwinds that were largely macroeconomic in nature and its stock closed at \$10.19 per share at the end of 2022. Nonetheless, the Company was positioned well for future growth and success.

35. For example, at a January 30, 2023 Board meeting, management reported plans to reduce the Company's headcount and noted they expected that would result in an improved Adjusted EBITDA margin and higher overall Adjusted EBITDA.⁷

36. On February 21, 2023, management presented the Company's results for the fourth quarter of 2022 to the Audit Committee and reported that the Company performed well in the face of a challenging macroeconomic environment.⁸ At a full Board meeting held the next day, management reported it was "seeing momentum building for the second half of the year."⁹ In his CEO Update, Xiao blamed "market

⁷ TWKS002975 at -77.

⁸ TWKS007222 at -23.

⁹ TWKS005425 at -26.

conditions” as “causing temporary headwinds for growth.”¹⁰ Xiao also reported that management was “observing some signals that the worst may be behind us” and as a result was “forecasting sequential growth in Q2 2023 of 1% to 3%, based on today’s pipeline.”¹¹ Xiao forecasted significantly higher EBITDA margins in the final three quarters of 2023 as compared to the first.

37. After the Company reported its 2022 results on February 28, 2023, the Company’s stock price closed below \$8.50 per share. Apax saw this as an opportunity to try to take the Company private at a depressed state before it pushed through these headwinds.

38. On March 16, 2023, Apax proposed to acquire Thoughtworks for \$11 per share, 48% lower than the IPO price. Apax refused to consider any alternative transaction. Although Apax agreed to negotiate its proposal with a special committee, its letter stated that “[o]ur Proposal is not conditioned, nor would we agree to a transaction conditioned, on the approval of a majority of the shares of common stock of the Company not owned by [Apax], and we will only proceed on that basis.”¹²

¹⁰ TWKS005001 at -69.

¹¹ TWKS005001 at -71.

¹² TWKS008227 at -28.

39. On March 21, 2023, the Board met and formed a committee consisting of Brennan, Chwick, Parrett, and Taylor (the “2023 Special Committee”), all directors who had been designated as Board members by Apax before the IPO. As discussed further below, the Board appointed Chwick despite her former employment at Goldman (who Apax reported as its financial advisor in its letter) and Parrett despite his decade long relationship with Nathoo. The 2023 Special Committee was delegated the power to retain advisors of its choice, but was authorized only to consider a transaction proposal from Apax Partners.

40. The 2023 Special Committee did not meet until nearly a month later, on April 19, 2023, when it retained Kramer Levin, Potter Anderson, and Lazard (who was concurrently representing Apax).

41. On May 3, 2023, Xiao told the Board that he believed quarter over quarter declines were behind the Company and demand and growth of the Company’s portfolio support its outlook for improved performance in the second-half of 2023.¹³ Similarly, Special Committee members were told on May 10, 2023, that, while short-term difficulties remain, the Company’s longer term prospects remained strong.

¹³ TWKS005421.

42. Instead of rejecting Apax’s opportunistic take-private attempt out of hand, the Special Committee decided to negotiate on Apax’s terms, which anchored the potential consideration for public stockholders. On May 17, 2023, the 2023 Special Committee submitted a \$17 counteroffer to Apax.

43. On May 23, 2023, Apax increased its take-private proposal to \$11.32 per share. It attributed the modest increase to concerns about market conditions and the Company’s outlook, and it told the 2023 Special Committee it wanted to sign an agreement quickly, by the end of June 2023.

44. On June 2, 2023, the 2023 Special Committee sent a letter to Apax, expressing “concern [] that Apax may pursue exactly the sort of plan for re-focusing the Company that we have discussed at length, and that Apax then will gain for itself all the value to be unlocked by executing on that plan.”¹⁴

45. On June 13, 2023, Apax submitted a further revised take-private proposal at \$11.65 per share and reiterated it would not agree to condition the proposal on the approval of a majority of the Company’s public investors.

46. On June 23, 2023, the 2023 Special Committee decided to accept Apax’s “final proposal” of \$12 per share, still without a majority-of-the-minority vote requirement.

¹⁴ TWKS008227 at -39.

47. However, on July 7, 2023, Apax rescinded its \$12 per share take-private proposal citing concerns about the macroeconomic environment and the near-term impact it would have on the Company's performance.

III. APAX OPPORTUNISTICALLY RE-STARTED THE TAKE-PRIVATE PROCESS

A. Apax Opportunistically Made a Squeeze-Out Offer When the Company's Share Price Was in a Trough

48. After Apax rescinded its offer, Thoughtworks and its peer companies continued to face headwinds resulting from market trends. On July 25, 2023, the Board was advised that “nearly every peer has guided down on annual revenue during earnings this year[.]”¹⁵

49. As a Company insider with representation on the Board, Apax knew that Thoughtworks' stock price decline did not reflect its intrinsic value and it could soon make another opportunistic offer to buy the Company at a discount.

50. On February 12, 2024, Thoughtworks reported that previously issued financial statements for the periods ending June 30, 2023 and September 30, 2023 were not accurate. The Company's stock price fell by \$0.27 on February 13, 2024, to close at \$4.14.

¹⁵ TWKS005262 at -361.

51. Simultaneously, the Board decided to hire a new CEO. On February 19, 2024, the Board appointed a subcommittee of Davis, Brennan, Chwick, Nathoo, and Taylor to “work on succession planning,”¹⁶ and retained an executive search firm, Egon Zehnder International, to advise that committee. During the February 19 Board meeting, Board members disagreed regarding whether to put [REDACTED] [REDACTED]¹⁷ No internal candidates had been identified to “lead the Company through the transformation” and the Board “had not identified any viable external candidates who were available immediately.”¹⁸

52. Apex knew about the Company’s trouble identifying a new CEO and knew from the 2023 negotiations that Xiao showed [REDACTED] [REDACTED]¹⁹

53. On February 27, 2024, the Company reported that its fourth quarter revenue was only \$252.4 million, which missed guidance of \$265 to 270 million. As a result, the Company’s stock price dropped from \$4.61 on February 26 to \$3.28 at the close of trading on February 27. The Company’s stock price continued this decline through March.

¹⁶ TWKS008435 at -36.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ TWKS008227 at -38.

54. Accordingly, to take advantage of the CEO transition and increased pressure on the Company's share price, on March 22, 2024, Apax submitted a new offer to purchase Thoughtworks for \$4.00 per share (as defined above, the "Initial Offer"). Apax even admitted in its offer letter that it was making the new offer "[g]iven the substantial challenges facing the business and continued risk as the Company attempts to navigate a recovery amid a major strategic restructuring[.]"²⁰ In other words, Apax opportunistically timed its offer to take advantage of a dip in the Company's stock price while knowing that it could capitalize on future upside based on information Apax obtained through its representation on the Board.

55. Specifically, in February 2024, the Board received information that "the actions and change initiatives rolled out in Q4 [2023] will provide a foundation to minimize future revenue leakage[.]"²¹ that the Company's "Sales Transformation" was "progressing well[.]"²² and that the Company's "big deals" pipeline of deals worth over \$10 and \$20 million per deal was encouraging.²³ In early March 2024,

²⁰ TWKS008247.

²¹ TWKS003274 at -77.

²² TWKS004787 at -806.

²³ *Id.* at -812.

the Board was advised that the “Q1 forecast anticipates revenues at \$247M, exceeding the high end of the guidance[.]”²⁴

B. Apax Controlled the Squeeze-Out Process and Prevented Competing Bids

56. From its Initial Offer onward, Apax asserted control over the Squeeze-Out process. Apax dictated that “we have no interest in a disposition or sale of our holdings in the Company or participating in an alternative change of control transaction involving the Company. As such, in our capacity as a shareholder of the Company, we would not vote in favour of any alternative sale, merger or similar transaction involving the Company.”²⁵

57. Apax’s terms prevented Thoughtworks from seeking other acquisition offers to bid up the Squeeze-Out price. By indicating that it would block third-party offers, Apax sought to ensure there would be no competitive bidding process or market evidence showing the inadequacy of its offer.

58. Apax also knew that its offer price was not fair and would not be acceptable to public stockholders. As a result, Apax made clear that its proposal “is not conditioned, nor would we agree to a transaction conditioned, on the approval of

²⁴ TWKS003311 at -14.

²⁵ TWKS008247 at -48.

a majority of the shares of common stock of the Company not owned by Apax and its affiliates[.]”²⁶

59. Apax did not solicit the opinions of significant minority stockholders, like Plaintiff Think Investments LP, regarding the Squeeze-Out price.

60. On March 26, 2024, the Board formed a purportedly independent committee in response to Apax’s offer, which once again consisted of Chwick, Taylor, Brennan, and Parrett as the Special Committee Chair. This is the same ineffective Special Committee from the aborted 2023 Apax squeeze-out.

61. In response to the Initial Offer, the Board gave a deficient mandate to the Special Committee. The Special Committee was not explicitly empowered to act in the best interests of the Company’s minority stockholders, or even consider their interests. Instead, the Board authorized the Special Committee only to “review, evaluate, and negotiate with Apax or any third party, if the Special Committee deems it necessary or desirable, the terms and conditions of any Transaction; (vi) to determine whether any Transaction is fair to, and in the best interest of, the Company and its stockholders (or any subset of the stockholders of the Company that the Special Committee determines to be appropriate)[.]”²⁷ In other words, the Special

²⁶ *Id.*

²⁷ TWKS008320 at -21.

Committee was ***not*** mandated to consider the minority stockholders' interests when evaluating the Squeeze-Out. Accordingly, this resolution alone demonstrates that the Special Committee was not directed to act in the best interests of Thoughtworks' minority stockholders.

62. The Special Committee once again retained Lazard as its financial advisor and Kramer Levin and Potter Anderson as its legal counsel.

C. The Special Committee and its Advisors Were Conflicted

63. Both the Special Committee and its advisors suffered from conflicts that prevented them from independently negotiating an arms-length transaction with Apax. Importantly, all four Special Committee members were appointed to the Board by Apax before the Company went public. Thus, each member is beholden to Apax for their roles at Thoughtworks. The Special Committee acted with a controlled mindset throughout the entire Squeeze-Out negotiation and acquiesced to Apax's unfair terms and unfair price.

64. Special Committee chair Parrett has a long-standing connection with Apax and director Salim Nathoo, who was Apax's "*negotiating representative*" on the Squeeze-Out and remains on the Board of the post-Squeeze-Out Company.²⁸ Nathoo and Parrett's relationship extends back over a decade. From 2011 to 2015,

²⁸ TWKS002245 at -55.

Parrett and Nathoo served together as directors of Apax portfolio company iGate. Parrett and Nathoo led the “negotiation” on both sides of the Squeeze-Out, but could not have independently negotiated due to their Apax-centered business relationship.

65. Special Committee member Chwick has a long-standing relationship with Goldman, Apax’s financial advisor on the Squeeze-Out. Chwick worked at Goldman from 1983 to 2013 and held many senior positions. She was a managing director for over a decade and served as Global Head of Derivatives Technology, Global Head of Technology for the Securities Division, and Co-Head of Global Technology. Due to Chwick’s long tenure and senior positions at Goldman, she is conflicted from negotiating a Squeeze-Out against financial advisors from her longtime firm.

66. Special Committee member Roxanne Taylor worked at Accenture, the former employer of Thoughtworks CEO Sutcliff, from 1995 to 2018. Taylor was Accenture’s Chief Marketing & Communications Officer for over a decade. Apax caused Thoughtworks to appoint Sutcliff as the new CEO in May 2024. Sutcliff had worked for Accenture from 1987 to 2020, served as CEO of Accenture Digital, and overlapped with Taylor for her entire tenure at that company. Sutcliff, as a Company executive, is a non-independent insider and has been complimentary of Apax, stating that “Apax has been a longstanding strategic partner for Thoughtworks” and that

with Apax’s “continued support, we plan to make the necessary long-term investments and advance our vision of being a stronger, strategic partner for our clients.”

67. Apax and Accenture are also business partners. In 2016, Accenture sold a major stake in its portfolio company Duck Creek Technologies to Apax.

68. The long-term professional overlap between Taylor and Sutcliff at Accenture and Accenture’s business relations with Apax impugned Taylor’s ability to independently assess and negotiate the Squeeze-Out.

69. The Special Committee’s advisors were also conflicted due to their connections and financial alignment with Apax. These conflicts prevented them from fairly advising on the Squeeze-Out.

70. Lazard and Apax have an ongoing business relationship that prevented Lazard from independently advising the Special Committee on the negotiation process and fairness of the Squeeze-Out. Lazard admitted in its relationship disclosure attached to its engagement letter that it was *currently* engaged by Apax on a “fund-raising assignment” and that it had already received \$150,000 in compensation and expected to receive another \$350,000 in just the first quarter of 2024.²⁹ Lazard could not negotiate independently with its current client.

²⁹ TWKS003454 at -63.

71. Further, Lazard was incentivized and financially aligned with Apax to make sure the Squeeze-Out closed. Lazard's engagement agreement provided that Lazard would be paid [REDACTED] upon delivering its fairness opinion and [REDACTED] of up to [REDACTED] of the aggregate consideration in the Squeeze-Out and [REDACTED] of the aggregate consideration above [REDACTED].³⁰

72. The Special Committee's legal counsel were also not independent.

73. Potter Anderson has represented Apax in litigation before the Court of Chancery.³¹ It could not negotiate a Squeeze-Out independently against a former client.

74. Kramer Levin had improper incentives to ensure the Squeeze-Out occurred because it agreed to discount its legal fees by up to [REDACTED] if the Squeeze-Out was not consummated.³²

D. The Special Committee Knew that the Timing Was Not Optimal for a Sale

75. The Special Committee knew that the Company was not in a good position to be sold to maximize benefits for minority stockholders because the

³⁰ TWKS002083 at -85.

³¹ *Southeastern Pennsylvania Transportation Authority v. Robert N. Fisch, et al*, C.A. No. 8605-VCL.

³² TWKS003454 at -69.

Company's future upside was stronger than its circumstances at the time of the Initial Offer.

76. On March 31, 2024, the Special Committee discussed the Company's financial projections. The Special Committee stated that revenues would fall short of management's business plan and was concerned that Apax may withdraw its offer. However, the Special Committee was optimistic about revenue targets for 2025.

77. On April 8, 2024, the Special Committee discussed CEO succession and the effect of that succession on the potential Squeeze-Out. Certain Special Committee members stated that a new CEO could enhance the value of the Company.³³

78. On April 26, 2024, the Special Committee stated that the Company's performance for the year was down but that it would likely improve in the future.

79. Despite their optimism concerning the Company's long-term prospects, the Special Committee acted with a controlled mindset and negotiated a Squeeze-Out that is unfair to minority stockholders, rather than reject Apax's opportunistic attempt to complete the Squeeze-Out.

³³ TWKS002245 at -49.

IV. THE COMPANY APPOINTED A NEW CEO

80. On May 1, 2024, the Board determined to replace Xiao as CEO with Sutcliff. Apax knew that replacing Xiao with its handpicked successor would enhance the Company's value.

81. This CEO succession created a stronger business position for Thoughtworks and should have warranted that Apax pay a higher price for the Company.

82. On May 7, 2024, the Company reported positive first quarter 2024 financial results of approximately \$249 million in revenue, which was above the high end of its guidance range, and revised its 2024 revenue guidance upward. The Company also announced that Sutcliff would replace Xiao as CEO.

83. On May 8, 2024, the Special Committee met and discussed Sutcliff's appointment as CEO. The Special Committee noted that responses to Sutcliff's appointment on social media were positive, investors appeared happy that Company had new leadership, and that the Company's stock had performed well since the announcement.³⁴ As seen below, the Company's stock price increased 20% as a result of this news.³⁵

³⁴ TWKS002245 at -53.

³⁵ TWKS000157 at -59.

Tempest Stock Price Update

(\$ per share)



84. Wall Street analysts were positive about the Company's CEO transition and quarterly earnings results.

85. Wedbush Securities reported on May 8, 2024, that its price target for the Company was \$6.00 per share and listed several positives for the Company including:

TWKS is increasing its restructuring program to capture additional savings of \$25M to \$30M, total program savings target is now between \$100M to \$115M and it is expected to be complete by Q3; have already realized \$87M in cost savings; [] Bookings remain strong, with 49 new clients contracted with in the first quarter; TWKS has 57 clients with TTM bookings >\$5M at the end of quarter; [] 62% of quarterly bookings came from outbound efforts; [] the Company launched 8 new AI technology and services; [] TWKS acquired a team of seven AI-

skilled professionals from Watchful, a SF based company that helps organizations accelerate the creation, enhancement and deployment of AI models.

86. J.P. Morgan also reported a positive financial outlook for the Company:

We attribute the bulk of better topline performance to company specific efforts to stimulate growth, and just a minority to better macro demand trends as sales cycles are still long and deal sizes remain small. . . Guo Xiao stepping down after a 25-year run at Thoughtworks including the last 11 as CEO when he tripled the business and led the IPO, to be succeeded by Mike Sutcliff, an executive we respect from Accenture. Any CEO change always raises questions, and bringing in an outsider will be a big change for Thoughtworks, but an outsider's perspective with a proven track record of scaling public businesses could be the right tonic for the stock. Overall, we are encouraged with the results with changes bearing fruit in a tough demand environment for TWKS and raise our estimates.

87. Also at the May 8, 2024, Special Committee meeting, Lazard provided its updated analysis of the potential Squeeze-Out. In particular, Lazard updated its DCF valuation range of the Company to \$5.99 to \$11.02 per share.³⁶ Lazard stated that it would not be able to provide a fairness opinion at any transaction price that is below the low end of its DCF range.

88. As a result of this positive financial news and Sutcliff's appointment, the Company's intrinsic value was well above its depressed stock price.

³⁶ *Id.* at -60.

V. THE SPECIAL COMMITTEE ACCEDED TO AN UNFAIR TRANSACTION

115. Despite the Company's positive financial news, the new CEO, and management's projections for the Company's growth, Apax forced the sale of the Company at an unfair price.

A. The Special Committee Did Not Effectively Negotiate a Fair Price for the Squeeze-Out

116. The Special Committee knew that Apax had offered \$12 per share to acquire the Company approximately eight months earlier. Accordingly, it had an anchor price from which to commence negotiations. However, the Special Committee never used that as leverage or made a counteroffer at that price.

117. On May 8, 2024, the Special Committee determined that Apax's offer of \$4.00 per share was inadequate.³⁷ Apax's offer was well below Lazard's contemporaneous DCF range of \$5.99–\$11.02 per share, and well below the \$12 per share offer that Apax had made just months before.³⁸ Lazard told the Special Committee that it would not be able to provide a fairness opinion at a price below \$6.00 per share.³⁹ The Special Committee directed Parrett to inform Nathoo, Apax's

³⁷ TWKS002245 at -54.

³⁸ *Id.* at -53.

³⁹ *Id.*

negotiating representative, that \$4.00 per share did not provide enough value to the Company's stockholders.

118. At a Special Committee meeting on May 13, 2024, Lazard informed the Special Committee that its DCF range had decreased to \$5.68–\$8.89 per share as a result of some recent negative news from competitors in the Company's sector (as opposed to anything having to do with the Company itself).⁴⁰ The Special Committee agreed to make a counterproposal to Apax of \$8.00 per share.⁴¹

119. On May 23, 2024, Apax conveyed a revised proposal of \$4.50 per share.⁴²

120. On May 30, 2024, the Special Committee met to discuss Apax's \$4.50 per share offer.⁴³ As a result of sector-wide headwinds, Lazard had adjusted its DCF range again slightly to \$5.89–\$8.90.⁴⁴

121. The Special Committee authorized Lazard to present Apax with a counteroffer of \$7.25 per share.⁴⁵ The meeting minutes do not indicate how the

⁴⁰ *Id.* at -55.

⁴¹ *Id.* at -56.

⁴² Information Statement at 23; TWKS003479.

⁴³ TWKS002245 at -57.

⁴⁴ *Id.* at -58.

⁴⁵ *Id.*

Special Committee arrived at this amount, which was not tethered to Apax's previous \$12.00 per share offer. There is also no indication as to whether the Special Committee considered the new CEO's plans to enhance the value of the Company.

122. On June 5, 2024, Lazard conveyed the \$7.25 per share counteroffer to Goldman.⁴⁶ Apax rejected that proposal the same day.⁴⁷

B. Lazard's Valuations of the Company Began to Decline in Order to Justify a Lower Squeeze-Out Price

123. A large part of Lazard's compensation was tied to the Squeeze-Out closing, so it began to reduce its valuations in order to ensure that the parties reached a deal.

124. During its June 10, 2024 meeting, the Special Committee discussed that Company management had prepared two sets of projections: one assuming a recovery would take place in the first half of 2025, and the other assuming that a recovery would not begin until January 2026.⁴⁸ The Special Committee was unable to agree on which of the two sets of projections to adopt. The Special Committee further noted the uncertainty concerning how the new CEO would manage the

⁴⁶ Information Statement at 23.

⁴⁷ *Id.*

⁴⁸ TWKS002245 at -59.

Company.⁴⁹ The Special Committee did not put significant weight on the new CEO's plans for the Company.

125. At the Special Committee's next meeting on June 18, 2024, the Committee discussed a new set of projections prepared by Company management, which assumed that the Company would take longer to return to growth than the prior June 10 projections.⁵⁰ Both the June 10 projections and the June 18 projections contemplated that the Company would reach the same growth rate in 2027.⁵¹

126. At a Special Committee meeting the following day, Lazard reduced its DCF range to \$4.13–\$6.56 per share.⁵²

127. Also on June 19, 2024, Nathoo called Parrett to request additional time to obtain and analyze additional information on the Company.⁵³ Nathoo specifically wanted Sutcliff's view on the achievability of the Company's business plan.⁵⁴ While Nathoo expressed Apax's continued interest in a transaction, he characterized the Company's stock price as "free-falling."⁵⁵ Parrett reassured Nathoo that he was

⁴⁹ *Id.* at -60.

⁵⁰ *Id.* at -61.

⁵¹ *Id.*

⁵² *Id.* at -63.

⁵³ Information Statement at 24; TWKS002245 at -65.

⁵⁴ TWKS002245 at -65.

⁵⁵ *Id.*

confident in Sutcliff and the Company's turnaround plan, that "[t]he drop in the stock price is typical of a down market like the one the Company's industry is facing," and that "the Committee members are still very positive about the future of the Company."⁵⁶ The Special Committee told Lazard to tell Apax that the Special Committee was "not prepared to delay the negotiations for as long as two weeks."⁵⁷ Although the Special Committee also told Lazard to convey that it was "not prepared to enter into a transaction at any significantly lower price," the Special Committee did not propose a specific price.⁵⁸

128. Approximately two weeks later, on July 1, Nathoo called Parrett and made a new, reduced offer of \$4.25 per share.⁵⁹ Nathoo did not characterize this offer as best and final, but did tell Parrett he had "no gas left in the tank."⁶⁰ Parrett responded that \$4.25 was too low, including because Sutcliff had recently adopted Company management's plan and because Lazard may be unable to provide a fairness opinion at a price of \$4.25 per share.⁶¹ Parrett promised that the Special

⁵⁶ *Id.*

⁵⁷ *Id.* at -66.

⁵⁸ *Id.*

⁵⁹ TWKS002267.

⁶⁰ *Id.*

⁶¹ *Id.*

Committee would not approve any transaction without a fairness opinion from Lazard.⁶²

129. Driven by its contingent fee arrangement, Lazard revised its DCF analysis downward to justify Apax’s sub-par offer. At the Special Committee’s July 1 meeting, Lazard told the Special Committee that Apax’s new offer was “very credible” and within its then-current DCF range of \$4.13–\$7.10 per share. Lazard stated that it may be able to provide a fairness opinion at that price,⁶³ but cautioned that its DCF fairness range was updated daily and that Apax’s \$4.25 per share offer could fall outside of that range, making it difficult for Lazard to prepare a fairness opinion.⁶⁴ The Special Committee agreed to Lazard’s recommended counteroffer of \$5.50 per share.⁶⁵

130. Apax (via Goldman) immediately rejected the Special Committee’s \$5.50 per share counteroffer and recharacterized its \$4.25 offer as “take it or leave

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *Id.* at 67-68.

⁶⁵ *Id.* at -68.

it.”⁶⁶ Parrett spoke to Nathoo and reiterated the Special Committee’s resistance to the \$4.25 per share price.⁶⁷

C. The Special Committee Accepted an Unfairly Low Squeeze-Out Price

131. Despite knowing that the new CEO would enhance the Company’s value and that Apax’s offer failed to fairly value the Company, the Special Committee continued to act with a controlled mindset and accede to the demands of Apax, which had foreclosed any possible competitive bid as a result of its control and refusal to consider selling.

132. During the Special Committee’s meeting on July 2, 2024,⁶⁸ the Special Committee determined that it would agree to the \$4.25 per share price if it was combined with a proposed \$1.50 per share contingent value right (“CVR”) based on the Company’s post-transaction performance.⁶⁹ Lazard, concerned about receiving its contingent fee, warned the Special Committee that a CVR was unusual in this context and that Apax would likely reject it.⁷⁰

⁶⁶ *Id.* at -69.

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *Id.*

133. On July 4, 2024, Apax confirmed that it would not sell its shares, permit a market check to test the competitiveness of its offer, or submit the Squeeze-Out to a majority-of-the-minority vote.⁷¹ Apax also refused to even discuss adding a CVR to its \$4.25 per share offer.⁷²

134. The Special Committee was left hamstrung once again. With Apax's control firmly in place, the Special Committee failed to seek competitive offers or push back even though Apax had barely increased its original offer. During the Special Committee's July 5 meeting, both the Special Committee and Lazard sought to justify Apax's inferior deal, suddenly adopting a pessimistic view of the Company, "raising concerns about the Company's future," including, but not limited to, the recent replacement of the CEO, the Company's poor results for the first half of 2024, and uncertainty surrounding the Company's operations in China.⁷³

135. As a result of his controlled mindset, Parrett's characterization of the state of the Company at the July 5 meeting changed dramatically compared to only weeks earlier. Instead of attributing the Company's falling stock price to broader market conditions and expressing the Special Committee's confidence in Sutcliff, as

⁷¹ *Id.* at -72.

⁷² *Id.*

⁷³ *Id.* at -71.

he had in late June,⁷⁴ Parrett suddenly emphasized the Company's poor performance, credit difficulties, management issues, and looming cash problems.⁷⁵ Parrett's new tune made Apax's \$4.25 offer appear more appealing and discouraged the other members of the Special Committee from pushing for a higher price or rejecting Apax's offer entirely. Lazard confirmed that Apax was not willing to offer any additional value to minority stockholders and that it wanted to sign an acquisition agreement by July 29, 2024.⁷⁶

136. Lazard followed Parrett's approach of downplaying the Company's standalone prospects and talking up the relative attractiveness of a transaction with Apax. According to the July 5 minutes, Lazard characterized the projections underlying its DCF as "very optimistic" and stated that it would take "great effort" to achieve the projected results.⁷⁷ Lazard had not raised any such concerns at the July 1, 2024 meeting, and Parrett had expressed confidence in the Company's projections, its new CEO, and Lazard's resulting DCF analysis during his July 1, 2024 conversation with Nathoo.⁷⁸

⁷⁴ TWKS002245 at -65.

⁷⁵ TWKS002267 at -71.

⁷⁶ *Id.* at -72.

⁷⁷ *Id.* at -73.

⁷⁸ *Id.* at -67.

137. The Special Committee and Lazard also discussed at the July 5 meeting that:

- a. The price was “near the bottom” of Lazard’s DCF analysis;⁷⁹
- b. Apax had been unwilling to “permit various steps that could be beneficial to the minority stockholders,” including by refusing a market check, insisting that it would not be a seller, not permitting a majority-of-the-minority vote, and being unwilling to discuss the possibility of improving its all-cash offer through the issuance of a CVR.⁸⁰
- c. Apax was looking to acquire the Company at an “opportunistic” time, and that it could be an “unfavorable” time to sell.⁸¹

138. In addition to these problems, the price offered by Apax continued to be deficient. Although Lazard characterized the proposed price as “compelling” when compared with the trading prices of comparable companies and the transaction prices of comparable acquisitions, the proposed price of \$4.25 was “barely above the low end of the fairness range based on the current trading multiples and other factors used in that analysis.”⁸² Lazard told the Special Committee that if it decided

⁷⁹ *Id.* at -72.

⁸⁰ *Id.*

⁸¹ *Id.* at -73.

⁸² *Id.*

to approve moving forward with transaction, it would be “a close question as to whether Lazard would be able to issue such an opinion,” and would depend largely on public trading of shares of company and peers in next few weeks.⁸³

139. Following an executive session, the Special Committee approved moving forward with the Merger at \$4.25 per share.⁸⁴

D. Lazard Threatened to Withhold its Fairness Opinion Because of the Low Squeeze-Out Price

140. The Special Committee agreed to condition its acceptance of Apax’s offer on the receipt of a fairness opinion delivered at the time of the Special Committee’s approval of the definitive agreement.⁸⁵ They discussed that Lazard would “tell Goldman that in the present market environment, the ability of Lazard to issue [a fairness] opinion is not a given.”⁸⁶

141. According to the Information Statement, at some point between July 5 and July 8, 2024, “the Special Committee advised Apax, through their respective counsel, that it did not object to Apax commencing discussions with a limited number of members of the Company’s senior management regarding the possible

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.* at -74.

⁸⁶ *Id.*

‘rollover’ of their existing shares of Company Common Stock into a direct or indirect equity interest in the Company following the consummation of a transaction.”⁸⁷ Because the Special Committee did not meet between July 5 and July 8, it is unclear how it approved these rollover discussions or who was involved in that decision. The Special Committee had not discussed a rollover prior to this time.

142. Over the next several weeks, counsel for the parties prepared documentation surrounding the Merger, with the Special Committee taking a backseat and receiving updates from “time to time.”⁸⁸

143. On July 19, 2024, Company management also provided Lazard with a draft of its July forecasts, which had been updated to reflect management’s latest reorganization proposal.⁸⁹

144. The Special Committee met again on July 23.⁹⁰ The Special Committee discussed that, as part of proposed transaction, certain members of management would be rolling over their equity and that “for this reason, among others, certain

⁸⁷ Information Statement at 25.

⁸⁸ *Id.* at 26.

⁸⁹ *Id.*

⁹⁰ TWKS002267 at -75.

directors and officers and directors would have interests in the prospective transaction that might be different from those of shareholders generally.”⁹¹

145. Lazard, utilizing the recent draft July forecasts provided by management, had updated its analysis and concluded that it could not provide a fairness opinion for Apax’s \$4.25 price, which fell below the bottom end of Lazard’s updated DCF.⁹² Notably, Lazard explained that even the \$4.68 low-end of the DCF range was optimistic, given that the terminal value used reflected recent price increases for publicly traded shares of peer companies and reflected the “optimistic projections of Company management.”⁹³ The Information Statement inaccurately states that Lazard was merely “**unlikely** to be prepared to deliver a fairness opinion at that time at a price of \$4.25 per share.”⁹⁴

146. The Special Committee determined to inform Apax that it could not secure a fairness opinion at the current \$4.25 per share price and that Apax needed to increase its offer to \$4.50 per share.⁹⁵

⁹¹ *Id.*

⁹² TWKS002267 at -75-76.

⁹³ *Id.* at -76.

⁹⁴ Information Statement at 26 (emphasis added).

⁹⁵ TWKS002267 at -76.

147. In response, “[r]epresentatives of Apax indicated that Apax was not prepared to increase their offer since there was no change in the Company’s business to justify a higher price and the Company’s latest projections actually showed a material miss to year-end profit guidance and material cash consumption in both first quarter 2024 and second quarter 2024.”⁹⁶

148. The Special Committee met again on August 1, 2024.⁹⁷ Lazard reiterated its view that it could not provide a fairness opinion at the proposed \$4.25 price.⁹⁸

149. The Special Committee met again on August 3, 2024.⁹⁹ Nathoo informed the Special Committee that there was decline in trading prices of certain other public companies comparable to Company, which in his view meant that Lazard should be able to deliver a fairness opinion at the \$4.25 price.¹⁰⁰ Parrett then called Nathoo to inform him that Apax would need to increase its offer by at least 25

⁹⁶ Information Statement at 26.

⁹⁷ TWKS002267 at -78.

⁹⁸ *Id.*

⁹⁹ *Id.* at -81.

¹⁰⁰ *Id.*

cents per share. Nathoo “agreed to request an authorization for an increased offer in the range of \$4.35 to \$4.40.”¹⁰¹

150. On the afternoon of August 3, 2024, Apax increased its offer to a “best and final” proposal of \$4.40.¹⁰² At the next meeting of the Special Committee on August 4, 2024, Lazard determined that it could issue a fairness opinion based on its updated DCF range of \$4.28–\$7.85, revised from a range of \$4.42–\$7.72 per share just five days earlier.¹⁰³

151. The Special Committee determined to ask Lazard if it could issue a fairness opinion at the \$4.40 per share price.¹⁰⁴ At a meeting later that day, Lazard informed the Special Committee that it could do so.¹⁰⁵

152. Following an executive session, the Special Committee determined to support a transaction at the \$4.40 per share price.¹⁰⁶ The Board subsequently approved the transaction.¹⁰⁷

¹⁰¹ Information Statement at 26.

¹⁰² TWKS002267 at -83.

¹⁰³ *Id.*

¹⁰⁴ *Id.* at -84.

¹⁰⁵ *Id.*

¹⁰⁶ *Id.* at -86.

¹⁰⁷ TWKS002314.

153. Apax approved the Squeeze-Out by written consent on August 5, 2024.¹⁰⁸

154. Following Apax's approval of the Squeeze-Out, Apax and Defendants negotiated stock rollovers in the following amounts:¹⁰⁹

Management Rollover Stockholder	Aggregate Investment Commitment
Christopher Murphy	\$ 941,696
Erin Cummins	\$ 542,117
Sudhir Tiwari	\$ 434,624
Ramona Mateiu	\$ 378,244
Rachel Laycock	\$ 154,865

The Special Committee was not involved in the negotiation of these rollover agreements.

155. On November 13, 2024, the Squeeze-Out closed.

VI. THE TRANSACTION PROCESS WAS UNFAIR

156. The Special Committee wholly failed to protect the interests of the Company's minority stockholders, instead acceding readily to Apax's every demand.

157. Apax drove the Squeeze-Out process from the outset. Although it initially considered a transaction in 2023, it abruptly stopped that process when it learned that it could obtain a better price by waiting until the Company was experiencing anticipated (but short-term) headwinds. Among other things, Apax

¹⁰⁸ Thoughtworks Holding, Inc., Form 8-K, Aug. 5, 2024.

¹⁰⁹ Information Statement at 66.

knew that the Company was undergoing management changes, and sought to take advantage of a period of uncertainty by pursuing a deal at the same time the Company was in the process of replacing its CEO. And Apax's stated refusal to be a seller gave it leverage to push through an unfair deal.

158. While the Special Committee should have considered Apax's opportunistic timing and the Company's long-term prospects, it failed to do so. Despite having concerns about whether it was the right time to sell the Company (consistent with those raised by its advisors), the Special Committee failed to seriously consider—and was not even mandated to consider—whether it was in the best interests of stockholders for the Company to remain a standalone company. The Special Committee repeatedly failed to ask for updated projections, despite being told by Lazard on multiple occasions that Lazard did not believe it could opine on the fairness of a transaction at Apax's proposed prices, even after downwardly modifying its DCF analyses multiple times.

159. If the Special Committee was focused on obtaining the best value for minority stockholders, it would have heeded Lazard's warnings and pressed for a higher price, conducted a broader market search, solicited competing bids, or even said “no” to a transaction at all and focused on growing the Company. But the

Special Committee did none of those things, instead resigning itself to Apax's unfair deal.

160. Critically, minority stockholders were deprived of any meaningful protections. The Squeeze-Out was not subject to **any** stockholder vote, much less a majority-of-the-minority vote, which Apax rejected out of hand.

161. Moreover, as described above, the Special Committee was not only ineffective, but also tainted by conflicts. Special Committee member Chwick had a longstanding relationship with Goldman, Special Committee member Taylor was a longtime Accenture employee with ties to Sutcliff, and Special Committee chair Parrett had ties to iGate, an Apax portfolio company, and Apax-affiliated Board member Nathoo. The Special Committee's advisors, Kramer Levin and Lazard, both had compensation arrangements which incentivized them to ensure that a deal, even a bad one, was consummated. And Lazard was also conflicted by virtue of its contemporaneous engagement with Apax, while Potter Anderson was conflicted by virtue of its previous representation of Apax.

162. In short, the Special Committee's process was woefully deficient and resulted in a patently unfair transaction.

VII. THE TRANSACTION PRICE IS UNFAIR

163. The Squeeze-Out price of \$4.40 per share is unfair to the Company's minority stockholders for several reasons.

164. *First*, in June 2023, Apax had offered \$12.00 per share for the Company. Once Apax determined that the Company would experience declining share value in the short term due to a CEO transition and certain negative revenue results, it withdrew from negotiations and opportunistically reduced its offer by \$8.00 per share to the Initial Offer of \$4.00 per share.

165. *Second*, Apax appointed a new CEO whom it believed would enhance the Company's value. However, Apax failed to provide for this increased value in the Squeeze-Out price.

166. *Third*, Wall Street financial analyst Wedbush released a valuation of the Company that was above the Squeeze-Out price. On May 8, 2024, Wedbush published a price target for Thoughtworks of \$6.00 per share. As stated above, Wedbush had a positive outlook on the Company's financial trajectory and new CEO.

167. *Fourth*, the Company's 52-week trading range high was \$7.19 per share. This means that Thoughtworks was valued at over 63% more than the

Squeeze-Out price, in just the year before the Squeeze-Out was announced. Further, Thoughtworks was worth over \$30 per share in the months following its 2021 IPO.

168. *Fifth*, Apax refused to tie the Squeeze-Out consideration to the Company's post-Squeeze-Out performance. Specifically, Apax's refusal to accept an additional \$1.50 per share CVR payment in addition to a \$4.25 per share offer price shows that Apax believed that the Company's financial trajectory was positive and it hoped to keep this upside for itself with a low Squeeze-Out price that was not tied to future performance.

169. *Sixth*, Lazard performed valuation analyses showing that the price is unfair. As discussed above, nearly all DCF analyses that Lazard created for the Special Committee between April and August 2024 showed that the Company was worth more than \$4.40 per share *at the low end* of the valuation range. In May 2024, after the Company appointed a new CEO, Lazard told the Special Committee that it would not issue a positive fairness opinion if the Squeeze-Out price was less than \$6.00 per share. Only toward the end of the Squeeze-Out negotiation process, did Lazard begin producing DCF analyses that showed that \$4.40 per share would be slightly above the low end of the Company's value range.

170. By August 2024, Lazard still refused to issue a positive fairness opinion at Apax's offer price of \$4.25 per share—which the Special Committee had decided

it would accept. Only after Apax raised its offer to \$4.40 per share, which is only *12 cents* above the low-end value of Lazard’s final August 4, 2024 DCF analysis (which stated that the Company was worth between \$4.28 and \$7.85 per share), did it agree to issue a fairness opinion. Lazard’s refusal to issue the fairness opinion was the only reason that Apax offered the nominally higher \$4.40 per share.

171. Additionally, Lazard’s other financial analysis metrics show that the Squeeze-Out price is unfair. The ranges of minority squeeze-out premia analysis and IT services premia analysis showed that Thoughtworks was worth \$4.31 to \$5.73 per share and \$4.20 to \$5.22 per share, respectively. \$4.40 per share is at the low end of both metrics.

CLASS ACTION ALLEGATIONS

172. Plaintiffs bring this action together and as a class action, pursuant to Court of Chancery Rule 23, on behalf of themselves and all other stockholders whose shares of the Company’s stock were exchanged for \$4.40 per share in cash in the Squeeze-Out (the “Class”). The Class excludes the Defendants and directors or officers of Thoughtworks and Apax, as well as the members of their immediate families and any persons, firm, trust, corporation or other entity related to or affiliated with them or their successors in interest, as of the closing of the Squeeze-Out.

173. This action is properly maintainable as a class action.

174. A class action is superior to other available methods for fair and efficient adjudication of this controversy.

175. The Class is so numerous that joinder of all members is impracticable. According to Thoughtworks' Information Statement filed on October 21, 2024, there were 323,802,308 shares of Thoughtworks common stock outstanding as of October 1, 2024. Thus, upon information and belief, there were thousands of Thoughtworks stockholders scattered throughout the United States.

176. There are questions of law and fact common to the Class, including, among other things:

- a. Whether the Individual Defendants and Apax owed fiduciary duties to Plaintiffs and the Class;
- b. Whether the Individual Defendants and Apax breached fiduciary duties to Plaintiffs and the Class;
- c. Whether the Squeeze-Out was entirely fair to Plaintiffs and to the Class;
- d. The existence and extent of any injury to the Plaintiffs and the Class caused by any breach;
- e. The proper measure of the Class's damages; and,

- f. The appropriateness of any other relief, including any equitable remedies.

177. Plaintiffs are committed to prosecuting this action and have retained competent counsel experienced in litigation of this nature. Plaintiffs' claims are typical of the claims of other members of the Class, and Plaintiffs have the same interests as the other members of the Class. Plaintiffs are adequate representatives of the Class.

178. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class. Such inconsistent or varying adjudications would establish incompatible standards of conduct for the Defendants and/or with respect to individual members of the Class and would, as a practical matter, be dispositive of the interests of the other members not party to the adjudications or substantially impair or impede the ability to protect their interests.

179. Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

COUNT I

(Claim for Breach of Fiduciary Duty Against the Individual Defendants)

180. Plaintiffs repeat and reallege each and every allegation above as if set forth in full herein.

181. As directors of Thoughtworks, the Individual Defendants owed fiduciary duties to Plaintiffs and the Class, including duties of care, loyalty, oversight, supervision, and candor.

182. These duties required the Individual Defendants to place the interests of the Company's stockholders above their own personal interests and the interests of any controlling stockholder or third party.

183. Through the events and actions described herein, the Individual Defendants breached their fiduciary duties to Plaintiffs and the Class by knowingly prioritizing their personal interests and the business, strategic, financial, or other interests of Apax above those of the minority stockholders, and by agreeing to and entering into the Squeeze-Out knowing that the process and price of the Squeeze-Out were not entirely fair to Plaintiffs and the Class.

184. As a result, Plaintiffs and the Class were harmed by the failure to receive fair consideration for their Thoughtworks shares, the value of their

investment was diminished, and they suffered damages in an amount to be determined at trial.

185. Plaintiffs and the Class have no adequate remedy at law.

COUNT II

(Claim for Breach of Fiduciary Duty Against Apax)

186. Plaintiffs incorporate by reference and reallege each and every allegation set forth above, as though fully set forth herein.

187. Apax was the controlling shareholder of the Company, including through its 61.7% ownership of Thoughtworks' common stock. As such, Apax owed fiduciary duties to Thoughtworks and to its stockholders, including duties of care, loyalty, oversight, supervision, and candor.

188. At all relevant times, Apax had the power to control, influence, and cause—and actually did control, influence, and cause—the Company to enter into the Squeeze-Out.

189. The Squeeze-Out price was inadequate and unfair, reflecting an unfair price and unfair process.

190. Through the events and actions described herein, Apax breached its fiduciary duties to Plaintiffs and the Class by agreeing to and entering into the Squeeze-Out without ensuring that it was entirely fair to Plaintiffs and the Class.

191. As a result, Plaintiffs and the Class were harmed by the failure to receive fair consideration for their Thoughtworks shares, the value of their investment was diminished, and they suffered damages in an amount to be determined at trial.

192. Plaintiffs and the Class have no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment and permanent relief, including injunctive relief, in their favor, in favor of the Class and against Defendants as follows:

A. Declaring, finding, and determining that this action is properly maintainable as a class action and certifying Plaintiffs as the Class's representatives and Plaintiffs' counsel as the Class's counsel;

B. Declaring that Apax was the Company's controlling stockholder;

C. Declaring that Apax and the Individual Defendants breached their fiduciary duties to the Class;

D. Awarding monetary damages to Plaintiffs and the Class, including pre- and post-judgment interest;

E. Ordering disgorgement of the Defendants' profits (plus pre-judgment and post-judgment interest);

F. Awarding Plaintiffs the costs and disbursements of this action, including attorneys' and experts' fees and expenses; and

G. Granting Plaintiffs and the Class further relief as the Court deems just and equitable.

Dated: April 2, 2025

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