

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

Form DEF 14A

April 14, 2014

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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200 Talcott Avenue South

Watertown, Massachusetts 02472

April 14, 2014

Dear Shareholder:

We cordially invite you to attend our 2014 Annual Meeting of Shareholders on Monday, May 12, 2014, at 8:30 a.m. (local time), to be held at our offices at 200 Talcott Avenue South, Watertown, Massachusetts 02472.

The proxy statement accompanying this letter describes the business we will consider at the meeting. Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the Annual Meeting, we encourage you to consider the matters presented in the proxy statement and vote as soon as possible. Instructions for Internet and telephone voting are attached to your proxy card. If you prefer, you can vote by mail by completing and signing your proxy card and returning it in the enclosed envelope.

We hope that you will be able to join us on May 12th.

Sincerely,

David Lissy

Chief Executive Officer

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Bright Horizons Family Solutions Inc.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 12, 2014

The Annual Meeting of Shareholders of Bright Horizons Family Solutions Inc. (the Company) will be held at our offices at 200 Talcott Avenue South, Watertown, Massachusetts 02472 on Monday, May 12, 2014, at 8:30 a.m. (local time) for the following purposes as further described in the proxy statement accompanying this notice:

To elect the three directors specifically named in the proxy statement, each for a term of three years.

To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for the current fiscal year.

Any other business properly brought before the meeting.

Shareholders of record at the close of business on April 9, 2014 are entitled to notice of, and entitled to vote at, the Annual Meeting and any adjournments or postponements thereof.

To attend the Annual Meeting, you must demonstrate that you were a Bright Horizons shareholder as of the close of business on April 9, 2014, or hold a valid proxy for the Annual Meeting from such a shareholder. The proxy card includes an admission ticket for one shareholder to attend the Annual Meeting of Shareholders. You may alternatively present a brokerage statement showing proof of your ownership of Bright Horizons stock as of April 9, 2014. **All shareholders must also present a valid form of government-issued picture identification in order to attend.** Please allow additional time for these procedures.

By Order of the Board of Directors

Stephen Dreier

Secretary

Watertown, Massachusetts

April 14, 2014

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Bright Horizons Family Solutions Inc.

ANNUAL MEETING OF SHAREHOLDERS

May 12, 2014

PROXY STATEMENT

The Board of Directors of Bright Horizons Family Solutions Inc., or Bright Horizons, is soliciting your proxy for the 2014 Annual Meeting. Attendance in person or by proxy of a majority of the shares outstanding and entitled to vote at the meeting is required for a quorum for the meeting.

You may vote on the Internet, using the procedures and instructions described on the proxy card and other enclosures. You may vote by telephone using the toll-free telephone number on the proxy card. Both Internet and telephone voting provide easy-to-follow instructions and have procedures designed to authenticate your identity and permit you to confirm that your voting instructions are accurately reflected. Street name holders may vote by Internet or telephone if their banks or brokers make those methods available, in which case the banks or brokers will enclose the instructions with the proxy statement. All stockholders may vote by signing and returning the enclosed proxy card.

You may revoke your proxy at any time before it is voted by voting later by telephone or Internet, returning a later-dated proxy card, or delivering a written revocation to the Secretary of Bright Horizons.

Shareholders of record at the close of business on April 9, 2014 are entitled to vote at the meeting. As of March 31, 2014 there were 65,840,369 shares of common stock outstanding and each is entitled to one vote.

This proxy statement, the proxy card and the Annual Report on Form 10-K for our fiscal year ended December 31, 2013 (fiscal 2013) are being first mailed to shareholders on or about the date of the notice of meeting. Our address is 200 Talcott Avenue South, Watertown, Massachusetts 02472.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting To Be Held on May 12, 2014: Our proxy statement is attached. Financial and other information concerning Bright Horizons is contained in our annual report to shareholders for the fiscal year ended December 31, 2013. The proxy statement and our fiscal 2013 annual report to shareholders are available on the Investor Relations section of our website at www.brighthorizons.com. Additionally, you may access our proxy materials at www.brighthorizons.com/proxy2014, a site that does not have cookies that identify visitors to the site.

Table of Contents**BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD****Board structure and committee composition**

We have an Audit Committee and a Compensation Committee with the composition and responsibilities described below. Each committee operates under a charter that has been approved by our Board of Directors. A copy of each charter can be found by clicking on [Corporate Governance](#) in the Investor Relations section of our website, www.brighthorizons.com. The members of each committee are appointed by the Board of Directors and each member serves until his or her successor is elected and qualified, unless he or she is earlier removed or resigns. In addition, from time to time, special committees may be established under the direction of the Board of Directors when necessary to address specific issues.

Because we are taking advantage of exceptions applicable to [controlled companies](#) under the New York Stock Exchange (the [NYSE](#)) listing rules, we do not have a majority of independent directors, we do not have a nominating committee, and our Compensation Committee is not composed entirely of independent directors as defined under such rules. The responsibilities that would otherwise be undertaken by a nominating committee will be undertaken by our Board of Directors, or at its discretion, by a special committee established under the direction of our Board of Directors. The controlled company exception does not modify the independence requirements for our Audit Committee. The rules applicable to our Audit Committee require that our Audit Committee be composed of at least three members, a majority of whom were required to be independent within 90 days of the completion of our initial public offering, and all of whom were required to be independent prior to January 25, 2014. Each member of our Audit Committee currently qualifies as independent under these rules.

Our Board of Directors held four meetings in fiscal 2013. During fiscal 2013, each director attended at least 75% of the Board meetings and the total meetings held by all of the committees on which he or she served during the periods that he or she served with the exception of Roger Brown, who attended two of the four Board meetings.

During fiscal 2013, the Board of Directors had two standing committees: the Audit Committee and the Compensation Committee. The table below provides information about the membership of these committees during fiscal 2013:

Name	Audit	Compensation
Lawrence M. Alleva	X*	
Joshua Bekenstein		X*
Roger H. Brown		
E. Townes Duncan**	X	
Jordan Hitch		X
David Humphrey		X
Marguerite Kondracke	X	
Dr. Sara Lawrence-Lightfoot		
David Lissy		
Linda Mason		
Mary Ann Tocio		
Number of meetings during fiscal 2013	9	4

* Chair

** Mr. Duncan was appointed to the Board in January 2014

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Audit Committee

The purpose of the Audit Committee is set forth in the Audit Committee charter. The Audit Committee's primary duties and responsibilities are to:

Appoint or replace, compensate and oversee the outside auditors for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for us. The outside auditors report directly to the Audit Committee.

Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for us by our outside auditors, subject to de minimis exceptions which are approved by the Audit Committee prior to the completion of the audit.

Review and discuss with management and the outside auditors the annual audited and quarterly unaudited financial statements, our disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, and the selection, application and disclosure of critical accounting policies and practices used in such financial statements.

Review and approve all related party transactions.

Discuss with management and the outside auditors significant financial reporting issues and judgments made in connection with the preparation of our financial statements, including any significant changes in our selection or application of accounting principles, any major issues as to the adequacy of our internal controls and any special steps adopted in light of material control deficiencies.

The Audit Committee consists of Lawrence Alleva, E. Townes Duncan and Marguerite Kondracke. Our Board of Directors has determined that Mr. Alleva, Mr. Duncan and Ms. Kondracke are independent directors pursuant Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 303A.02 of the New York Stock Exchange Listed Company Manual. Mr. Alleva is also an audit committee financial expert within the meaning of Item 407 of Regulation S-K, and serves as chair of the Audit Committee. A copy of the charter, which satisfies the applicable standards of the Securities and Exchange Commission (the SEC) and the NYSE is available on our website.

Compensation Committee

The purpose of the Compensation Committee is to assist the Board of Directors in fulfilling its responsibilities relating to oversight of the compensation of our directors, executive officers and other employees and the administration of our benefits and equity-based compensation programs. The Compensation Committee reviews and recommends to our Board of Directors compensation plans, policies and programs and approves specific compensation levels for all executive officers. The Compensation Committee consists of Joshua Bekenstein, Jordan Hitch and David Humphrey. A copy of the charter, which satisfies the applicable standards of the Securities and Exchange Commission (the SEC) and the NYSE is available on our website. Pursuant to its charter, the Compensation Committee may delegate to subcommittees of the Compensation Committee any of the responsibilities of the full committee.

Compensation Committee Interlocks and Insider Participation

All compensation and related matters are reviewed by the Compensation Committee. Each of Messrs. Bekenstein, Hitch and Humphrey is affiliated with Bain Capital Partners, LLC. For additional information regarding transactions between Bain Capital Partners, LLC and us, please see [Transactions with Related Persons](#) below.

Our Board's Role in Risk Oversight

It is management's responsibility to manage risk and bring to the Board's attention risks that are material to Bright Horizons. The Board has oversight responsibility for the systems established to report and monitor the

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most significant risks applicable to Bright Horizons. The Board administers its risk oversight role directly and through its committee structure and the committees' regular reports to the Board at Board meetings. The Board reviews strategic, financial and execution risks and exposures associated with the annual plan and multi-year plans, major litigation and other matters that may present material risk to the Company's operations, plans, prospects or the Company's reputation, acquisitions and divestitures and senior management succession planning. The Audit Committee reviews risks associated with financial and accounting matters, including financial reporting, accounting, disclosure, internal controls over financial reporting, ethics and compliance programs, regulatory compliance, and data security. The Compensation Committee reviews risks related to executive compensation and the design of compensation programs, plans and arrangements.

Table of Contents**2013 Director Compensation**

The following table sets forth information concerning the compensation earned by our directors during fiscal 2013. Compensation for Mr. Lissy and Ms. Tocio is included with that of our other named executive officers.

Name	Fees paid in cash (\$)	Option awards \$(1)(2)	Non-equity incentive plan compensation (\$)	All other compensation	Total (\$)
Lawrence Alleva	55,000	61,730			116,730
Roger Brown	18,000	41,829			59,829
Marguerite Kondracke	21,500	41,829			63,329
Sara Lawrence-Lightfoot	23,000	41,829			64,829
Linda Mason	122,765(3)			1,430(4)	124,195

- (1) For fiscal 2013, amounts shown reflect the fair value of options awarded in 2013 determined in accordance with ASC Topic 718. Assumptions used in the calculation of these amounts are included in note 12 to our audited consolidated financial statements included in our 2013 Annual Report on Form 10-K.
- (2) As of December 31, 2013, our directors held the following options to purchase shares of our common stock: Lawrence Alleva 5,272 options, Roger Brown 22,482 options, Marguerite Kondracke 13,336 options, Sara Lawrence-Lightfoot 3,000 options, and Linda Mason 69,941 options.
- (3) Amount shown reflects compensation earned by Ms. Mason in her capacity as an employee of the Company, consisting of \$81,843 in salary and a \$40,922 bonus paid in 2014. In 2013, Ms. Mason did not receive any compensation separately in respect of her service as Chairman. As of January 1, 2014 Ms. Mason is being compensated solely in her capacity as Chairman, a non-employee position.
- (4) Amount shown includes matching contributions made to Ms. Mason under the 401(k) Plan, in her capacity as an employee.

Pursuant to the revised compensation program adopted in connection with our initial public offering, the following policy for the compensation for all independent directors was effective for all director compensation payments in 2013:

Annual Retainer. Each independent director receives an Annual Board Retainer of \$10,000 in cash, payable at the quarterly rate of \$2,500 and an annual equity grant valued at \$40,000.

Meeting Fees. Each independent director receives \$4,000 for each Board meeting attended in person or \$1,000 for each Board meeting attended by conference call.

Each independent member of the Compensation Committee also receives \$1,500 for each committee meeting attended in person or \$500 for each committee meeting attended by conference call. Additionally, the independent chair of the Compensation Committee receives an annual retainer of \$20,000.

Each independent member of the Audit Committee also receives \$1,500 for each committee meeting attended in person or \$500 for each committee meeting attended by conference call. Additionally, the independent chair of the Audit Committee receives an annual retainer of \$20,000.

Each independent member of the Nominating and Governance Committee, when such Committee is activated, also receives \$1,000 for each committee meeting attended in person or \$500 for each committee meeting attended by conference call. Additionally, the independent chair of the Nominating and Governance Committee receives an annual retainer of \$5,000.

Prior to our initial public offering, each member of our board of directors who was not an employee of the company was eligible to receive an annual retainer of \$5,000 for board services, a meeting fee of \$2,500 per in person meeting, and a meeting fee of \$1,000 per telephonic meeting. We have not, since our going-private transaction, compensated directors affiliated with the Sponsor for their board service and, while the Sponsor

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controls a majority of our outstanding common stock, none of the directors affiliated with the Sponsor will be compensated for their board service.

Effective January 1, 2014, the board compensation program was amended to provide an annual retainer of \$95,000 for the Chair of the Board payable at the quarterly rate of \$23,750.

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PROPOSAL 1

ELECTION OF DIRECTORS

Bright Horizons has a classified Board of Directors currently consisting of three Directors with terms expiring in 2014 (Class I), four Directors with terms expiring in 2015 (Class II) and four Directors with terms expiring in 2016 (Class III). At each Annual Meeting of Shareholders, Directors in one class are elected for a full term of three years to succeed those Directors whose terms are expiring. This year, the three Class I Director nominees will stand for election to a three-year term expiring at the 2017 Annual Meeting. The persons named in the enclosed proxy will vote to elect David Lissy, David Humphrey and Sara Lawrence-Lightfoot as Directors unless the Proxy is marked otherwise. Each of the nominees has indicated his or her willingness to serve, if elected. However, if a nominee should be unable to serve, the shares of common stock represented by proxies may be voted for a substitute nominee designated by the Board. Management has no reason to believe that any of the above-mentioned nominees will not serve his or her term as a director.

We seek nominees with established strong professional reputations, sophistication, business acumen and experience in multi-site operations and/or contracted business services in the employee benefits arena. We also seek nominees with experience in substantive areas that are important to our business such as international operations; accounting, finance and capital structure; strategic planning and leadership of complex organizations; human resources and development practices; and strategy and innovation. Our nominees hold or have held senior executive positions in large, complex organizations or in businesses related to important substantive areas, and in these positions have also gained experience in core management skills and substantive areas relevant to our business. Our nominees also have experience serving on boards of directors and board committees of other organizations, and each of our nominees has an understanding of public company corporate governance practices and trends.

In addition, all of our nominees have prior service on our Board, which has provided them with significant exposure to both our business and the industry in which we compete. We believe that all our nominees possess the professional and personal qualifications necessary for board service, and we have highlighted particularly noteworthy attributes for each director in the individual biographies below.

Nominees for Election for Terms Expiring in 2017 (Class I Directors)

The individuals listed below have been nominated and are standing for election at this year's Annual Meeting. If elected, they will hold office until our 2017 Annual Meeting of Shareholders and until their successors are duly elected and qualified. All of these directors were previously elected to the Board by shareholders.

Your Board of Directors unanimously recommends that you vote FOR the election of each of the nominees as director.

David Humphrey, 36

Director since 2008

Mr. Humphrey has been a managing director at Bain Capital Partners, LLC since December 2012 having joined the firm in 2001. From December 2008 to December 2012 Mr. Humphrey served as a Principal, and from 2006 to December 2008 Mr. Humphrey served as Vice President, at Bain Capital Partners, LLC. Mr. Humphrey serves on the board of directors of Bloomin' Brands, Inc., Genpact Limited, Burlington Coat Factory Warehouse Corporation, Skillssoft plc and BMC Software, Inc. Prior to joining Bain Capital, Mr. Humphrey was an investment banker in the

mergers and acquisitions group at Lehman Brothers from 1999 to 2001. Mr. Humphrey received an M.B.A. from Harvard Business School and a B.A. from Harvard University. Mr. Humphrey has

substantial knowledge of the capital markets from his experience as an investment banker and is valuable to the Board of Directors discussions of capital and liquidity needs.

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Dr. Sara Lawrence-Lightfoot, 69

Director since 1993

Dr. Lawrence-Lightfoot is the Emily Hargroves Fisher Professor of Education at Harvard University and has been on the faculty since 1972. Dr. Lawrence-Lightfoot served as a director of the John D. and Catherine T. MacArthur Foundation from 1991 to 2007 and as Chairman from 2001 to 2007. She is currently Deputy Chair of the Board of Directors of Atlantic Philanthropies, where she has served since 2007, and previously served as Chair of the Academic Affairs Committee of the Board of Trustees of Berklee College of Music from September 2007 until March 2012. She was re-elected to the Berklee Board of Trustees in March 2014 and is a Trustee of the WGBH Educational Foundation where she has served since 2001. Dr. Lawrence-Lightfoot's expertise in child development, teacher training, classroom structures and processes, curriculum development, parent/teacher relationships, educational policies and organizational matters will continue to provide an invaluable resource to the Board.

David H. Lissy, 48

Director since 2001

Mr. Lissy has served as Chief Executive Officer of the Company since January 2002. Mr. Lissy served as Chief Development Officer of the Company from 1998 until January 2002. He also served as Executive Vice President from June 2000 to January 2002. He joined Bright Horizons in August 1997 and served as Vice President of Development until the merger with CorporateFamily Solutions, Inc. in July 1998. Prior to joining Bright Horizons, Mr. Lissy served as Senior Vice President/General Manager at Aetna U.S. Healthcare, the employee benefits division of Aetna, Inc., in the New England region. His experience prior to joining the Company, his leadership at the Company and at many charitable, business services, and educational organizations, including his current service on the boards of the March of Dimes, Altegra Health, Jumpstart and Ithaca College, provides him with the experience and management skills necessary to serve as a director of the Company.

Directors with Terms Expiring in 2015 (Class II Directors)

E. Townes Duncan, 60

Director since 2014

Mr. Duncan is the Managing Partner of Solidus Company LP, a private investment firm, and has served in that capacity since its inception in 1997. From 1993 to 1997, Mr. Duncan was the Chairman of the Board of Directors and Chief Executive Officer of Comptronix Corporation, a provider of electronics contract manufacturing services. Mr. Duncan also served as a Vice President and principal of Massey Burch Investment Group, Inc., a venture capital firm and the predecessor of Massey Burch Capital Corp., from 1985 to 1993. In addition, Mr. Duncan is a director of numerous private companies and previously served on the board of directors of several private and public companies, including J. Alexander's Corporation, an owner and operator of casual dining restaurants. Mr. Duncan was also a member of our Board of Directors from 1998 until May 2008. Mr. Duncan's many years of experience both as a senior executive of an investment firm and as a director of companies in various business sectors, including the child care sector in connection with his previous service on our Board, make him highly qualified to serve on our Board.

Jordan Hitch, 47

Director since 2008

Mr. Hitch has been a managing director at Bain Capital Partners, LLC since 1997. Prior to joining Bain Capital in 1997, Mr. Hitch was a consultant at Bain & Company where he worked in the financial services, healthcare and utility industries. Mr. Hitch serves on the board of directors of Guitar Center Holdings, Inc., The Gymboree Corporation and Burlington Coat Factory Warehouse Corporation. As a result of these and other professional experiences, Mr. Hitch brings to our board significant experience in and knowledge of corporate finance and

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strategy development, which strengthen the collective qualifications, skills and experience of our Board of Directors.

Linda Mason, 59

Director since 1986

Ms. Mason co-founded Bright Horizons in 1986, and served as director and its president from 1986 to 1998. She has served as a director and Chairman of the Board of the Company since 1998. Prior to co-founding Bright Horizons, Ms. Mason was a co-director of the Save the Children relief and development effort in the Sudan and worked as a program officer with CARE in Thailand. In addition to her duties as Chairman of our Board of Directors, from 1998 through 2013 Ms. Mason served as a part-time employee of the Company, with responsibilities that include participation in Company trainings, conferences and culture-building and representing the Company from time to time on industry matters and in public policy discussions. Ms. Mason is the wife of Roger H. Brown, who is also a director of the Company. From 1993 to 2007, Ms. Mason served as director of Whole Foods Market. Ms. Mason currently serves on the boards of Horizons for Homeless Children, the Advisory Board of the Yale University School of Management, Carnegie Endowment for International Peace, Mercy Corps and the Packard Foundation. Ms. Mason has extensive experience with the Company and her child advocacy work brings valuable perspective to the Board.

Mary Ann Tocio, 65

Director since 2001

Ms. Tocio has served as Chief Operating Officer of the Company since 1998. She was appointed President in June 2000. Ms. Tocio joined Bright Horizons in 1992 as Vice President and General Manager of Child Care Operations, and served as Chief Operating Officer from November 1993 until the merger with CorporateFamily Solutions, Inc. in July 1998. Ms. Tocio has more than thirty years of experience managing multi-site service organizations, twenty years of which were with the Company. She was previously the Senior Vice President of Operations for Health Stop Medical Management, Inc., a national provider of ambulatory care and occupational health services. Ms. Tocio also currently serves as a member of the board of directors of Harvard Pilgrim Health Care, a health benefits and insurance organization, and Horizons for Homeless Children, a non-profit organization that provides support for homeless children and their families. Ms. Tocio served as a member of the board of directors of Mac-Gray Corporation, a provider of laundry facilities management services from 2006 to 2013. Her public company board experience and expertise with managing growing organizations render her an invaluable resource as a director.

Directors with Terms Expiring in 2016 (Class III Directors)

Lawrence Alleva, 64

Director since 2012

Mr. Alleva is a Certified Public Accountant (inactive) and spent his professional career with PricewaterhouseCoopers LLP (PwC), including 28 years as a partner, from 1971 until his retirement in 2010. At PwC he served clients ranging from Fortune 500 and multi-national companies to rapid-growth companies pursuing initial public offerings. Mr. Alleva also served in a senior national leadership role for PwC's Ethics and Compliance Group to manage the design and implementation of best practice procedures, internal controls and monitoring activities, including PwC's response to inspection reports issued by the Public Company Accounting Oversight Board (PCAOB). Mr. Alleva currently serves as a director and chair of the audit committee of Tesaro, Inc. and, through December 2013, served in a similar capacity for GlobalLogic, Inc. He has served as a trustee of Ithaca College for over 20 years, including in the

vice chair role for ten years. Mr. Alleva brings valuable experience to our Board through his financial and Sarbanes-Oxley Act expertise, and his professional focus on areas such as corporate governance, control and financial reporting best practices.

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Joshua Bekenstein, 55

Director since 1986

Mr. Bekenstein has been a managing director at Bain Capital Partners, LLC since 1986. Prior to joining Bain Capital in 1984, Mr. Bekenstein spent several years at Bain & Company, where he was involved with companies in a variety of industries. Mr. Bekenstein serves as a director of Michaels Stores, Inc., Bombardier Recreational Products Inc., Dollarama Capital Corporation, Toys R Us, Inc., Burlington Coat Factory Warehouse Corporation, The Gymboree Corporation, Canada Goose, Bob's Discount Furniture, and Waters Corporation. Mr. Bekenstein's many years of experience both as a senior executive of a large investment firm and as a director of companies in various business sectors, including ours, make him highly qualified to serve on our Board.

Roger Brown, 57

Director since 1986

Mr. Brown has served as President of Berklee College of Music since June 2004. Mr. Brown was Chief Executive Officer of the Company from June 1999 until December 2001, President of the Company from July 1998 until May 2000 and Executive Chairman of the Company from June 2000 until June 2004. Mr. Brown co-founded Bright Horizons and served as Chairman and Chief Executive Officer of Bright Horizons from its inception in 1986 until the merger with CorporateFamily Solutions in July 1998. Mr. Brown is the husband of Linda A. Mason, who is Chairman of the Board of Directors. Prior to 1986, he worked as a management consultant for Bain & Company, Inc. Mr. Brown is a co-founder of Horizons for Homeless Children, a non-profit that provides support for children and their families. He serves on the board of Wheaton College in Norton, Massachusetts. Mr. Brown's management expertise, combined with his longstanding ties to and intimate knowledge of the Company will continue to serve the Company well throughout his tenure as director.

Marguerite Kondracke, 67

Director since 2004

Ms. Kondracke served as founder and CEO of CorporateFamily Solutions, Inc. from 1987 to 1998. She served as CEO of the Company for one year and then as Co-Chair of the Board of Directors of the Company from 1999 until 2001 and served as a director until 2003. She began serving as a director of the Company in 1998, and from 2003 to 2004 she served as Staff Director for the U.S. Senate Subcommittee on Children and Families. Ms. Kondracke returned to the Company's Board in 2004, and from 2004 until May 2012, also served as President and CEO of America's Promise Alliance, a nonprofit organization founded by Colin Powell that advocates for the strength and well-being of America's children and youth. Ms. Kondracke serves on the boards of LifePoint Hospitals, Rosetta Stone, Teachscape, and The American Academy. Ms. Kondracke brings knowledge of developmental child care and education as well as extensive leadership experience to the Board.

OUR COMPANY'S EXECUTIVE OFFICERS

David H. Lissy, Chief Executive Officer please see above

Mary Ann Tocio, President and Chief Operating Officer please see above

Elizabeth J. Boland has served as Chief Financial Officer of the Company since June 1999. Ms. Boland joined Bright Horizons in September 1997 and served as Chief Financial Officer and, subsequent to the merger between Bright Horizons and CorporateFamily Solutions, Inc. in July 1998, served as Senior Vice President of Finance for the Company until June 1999. From 1994 to 1997, Ms. Boland was Chief Financial Officer of The Visionaries, Inc., an independent television production company. From 1990 to 1994, Ms. Boland served as Vice President-Finance for Olsten Corporation, a publicly traded provider of home-health care and temporary staffing services. From 1981 to 1990, she worked on the audit staff at Price Waterhouse, LLP in Boston, completing her tenure as a senior audit manager.

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Stephen I. Dreier has served as Chief Administrative Officer and Secretary of the Company since 1997. He joined Bright Horizons as Vice President and Chief Financial Officer in August 1988 and became its Secretary in November 1988 and Treasurer in September 1994. Mr. Dreier served as Bright Horizons Chief Financial Officer and Treasurer until September 1997, at which time he was appointed to the position of Chief Administrative Officer. From 1976 to 1988, Mr. Dreier was Senior Vice President of Finance and Administration for the John S. Cheever/Paperama Company.

Danroy T. Henry, Sr. has served as the Chief Human Resource Officer since December 2007. Mr. Henry joined Bright Horizons in May 2004 as the Senior Vice President of Global Human Resources. From 2001 to 2004, Mr. Henry was the Executive Vice President for FleetBoston Financial where he had responsibility for the metropolitan Boston consumer banking market. Prior to 2001 Mr. Henry served roles in human resources management at Blinds To Go Superstores, Staples, Inc. and Pepsi Cola Company. Mr. Henry is the past board chair of the North East Human Resources Association and has served on the board of the Society of Human Resource management foundation. He is also currently the chair and co-founder of the DJ Dream Fund.

Stephen H. Kramer has served as the Chief Development Officer since January 2014. Mr. Kramer served as Senior Vice President, Strategic Growth & Global Operations from January 2010 until December 2013. He served as Managing Director, Europe based in the UK from January 2008 until December 2009. He joined Bright Horizons in September 2006 through the acquisition of College Coach, which he cofounded and led for eight years. Previously he was an Associate at Fidelity Ventures, the venture capital arm of Fidelity Investments and a Consultant with Arthur D. Little. Mr. Kramer received a B.S. from Babson College and an MBA from Harvard Business School. He serves on the board of Building Excellent Schools.

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CORPORATE GOVERNANCE

Board Independence. Our Corporate Governance Guidelines provide that our Board of Directors shall consist of such number of directors who are independent as is required and determined in accordance with applicable laws and regulations and requirements of the NYSE. The Board evaluates any relationships of each director and nominee with Bright Horizons and makes an affirmative determination whether or not such director or nominee is independent. Under our Corporate Governance Guidelines, an independent director is one who meets the qualification requirements for being an independent director under applicable laws and the corporate governance listing standards of the NYSE. Our Board reviews any transactions and relationships between each non-management director or any member of his or her immediate family and Bright Horizons. The purpose of this review is to determine whether there were any such relationships or transactions and, if so, whether they were inconsistent with a determination that the director was independent. As a result of this review, our Board has affirmatively determined that Mr. Alleva, Mr. Duncan, Ms. Kondracke and Ms. Lawrence-Lightfoot are independent under the governance and listing standards of the NYSE.

Diversity and Board Expertise. We seek to have a Board that represents diversity as to experience, gender and ethnicity/race, but we do not have a formal policy with respect to diversity. We also seek a Board that reflects a range of talents, ages, skills, character and expertise, particularly in the areas of accounting and finance, management, domestic and international markets, leadership and corporate governance and the child care, education and related industries in which we operate sufficient to provide sound and prudent guidance with respect to our operations and interests. All of our directors are financially literate, and one member of our Audit Committee is an audit committee financial expert.

Board Annual Performance Reviews. Our Corporate Governance Guidelines provides that the Board shall be responsible for annually conducting a self-evaluation of the Board as a whole. In addition, the written charter of the Audit Committee provides that it shall evaluate its performance on an annual basis.

Board Nominees. Under our Corporate Governance Guidelines, the Board is responsible for identifying and reviewing candidates for director positions and for selecting its own members for election by the stockholders. The Corporate Governance Guidelines provide that the Board shall review the appropriate skills and characteristics required of Board members in the context of its current make-up. It is the policy of the Board that directors should possess the highest personal and professional ethics, integrity and values. Board members are expected to become and remain informed about the Company, its business and its industry and rigorously prepare for, attend and participate in all Board and applicable committee meetings. The committee evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of our business and represent shareholder interests through the exercise of sound judgment using its diversity of experience. In addition, the Board considers, in light of our business, each director nominee's experience, qualifications, attributes and skills that are identified in the biographical information contained under Proposal 1 Election of Directors.

The Board considers properly submitted recommendations for candidates to the Board of Directors from shareholders. Any shareholder may submit in writing one candidate for consideration for each shareholder meeting at which directors are to be elected by not later than the 120th calendar day before the first anniversary of the date that we released our proxy statement to shareholders in connection with the previous year's annual meeting. Any shareholder recommendations for consideration by the Board should include the candidate's name, biographical information, information regarding any relationships between the candidate and Bright Horizons within the last three years, a statement of recommendation of the candidate from the shareholder, a description of our shares beneficially owned by the shareholder, a description of all arrangements between the candidate and the recommending shareholder and any other person pursuant to which the candidate is being recommended, a written indication of the candidate's willingness to serve on the Board of Directors, any other information required to be provided under securities laws and

regulations, and a written indication to provide such other information as the Board may reasonably request. Recommendations should be sent to Stephen Dreier, Corporate Secretary, Bright Horizons Family Solutions Inc., 200 Talcott Avenue South, Watertown, MA 02472. The Board

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evaluates candidates for the position of director recommended by shareholders or others in the same manner as candidates from other sources. The Board will determine whether to interview any candidates and may seek additional information about candidates from third-party sources.

Board Leadership Structure. Under our Corporate Governance Guidelines, our Board may select a Chairman of the Board of Directors at any time, who may also be an executive officer of the Company. The Board has currently chosen to separate the roles of Chairman and Chief Executive Officer. Linda Mason, our current non-executive Chairman of the Board of Directors, co-founded Bright Horizons in 1986 and served as director and president from 1986 to 1998 and as director and Chairman of the Board since 1998. The Board believes that the separate roles of Ms. Mason and Mr. Lissy, our Chief Executive Officer, are in the best interest of Bright Horizons and its stockholders. Ms. Mason has wide-ranging, in-depth knowledge of our business arising from her many years of service to Bright Horizons and, as a result, provides effective leadership for the Board and support for Mr. Lissy and other management. The structure permits Mr. Lissy to devote his attention to leading Bright Horizons and focusing on our business strategy.

Policies Relating to Directors. It is our policy that directors, other than the Chief Executive Officer, who are also employees of the Company must retire from the Board at the same time they retire from employment with the Company. In addition, it is our policy that directors who retire or otherwise change from the principal occupation or background association they held when they were originally invited to the Board should volunteer to resign from the Board. The Board does not believe that such directors should necessarily leave the Board, but it is our policy that there should be an opportunity for the Board to review the continued appropriateness of that director's membership under the circumstances. We encourage each of our directors to attend the Annual Meeting of Shareholders.

Code of Business Ethics and Conduct. We have adopted a written Code of Business Conduct and Ethics Applicable to all Directors, Officers and Employees and a written Code of Ethics for Senior Managers and Financial Officers, which are designed to ensure that our business is conducted with integrity. These codes cover, among other things, professional conduct, conflicts of interest, accurate recordkeeping and reporting, public communications and the protection of confidential information, as well as adherence to laws and regulations applicable to the conduct of our business. Copies of these codes can be found by clicking on [Corporate Governance](#) in the Investor Relations section of our website, www.brighthorizons.com. We intend to disclose any future amendments to, or waivers from, these codes of ethics for Bright Horizons executive officers within four business days of the waiver or amendment through a website posting or by filing a Current Report on Form 8-K with the SEC.

Communications with Directors. Security holders and other interested parties may communicate directly with the Board, the non-management directors or the independent directors as a group, or specified individual directors by writing to such individual or group c/o Office of the Corporate Secretary, Bright Horizons Family Solutions Inc., 200 Talcott Avenue South, Watertown, Massachusetts 02472. The Secretary will forward such communications to the relevant group or individual at or prior to the next meeting of the Board.

Online Availability of Information. The current versions of our Corporate Governance Guidelines, Code of Business Conduct and Ethics Applicable to all Directors, Officers and Employees, Code of Ethics for Senior Managers and Financial Officers and charters for our Audit Committee and Compensation Committee are available on our website at www.brighthorizons.com.

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TRANSACTIONS WITH RELATED PERSONS

Arrangements with Our Investors

In 2008, in connection with our going private transaction we entered into a stockholders agreement and a registration rights agreement with certain of the stockholders of the Company. These agreements contained provisions relating to election of directors, participation rights, restrictions on transfer of shares, tag along rights, drag along rights, a call right exercisable by us upon departure of a manager, a right of first offer upon disposition of shares, registration rights and other actions requiring the approval of stockholders. In addition, we entered into a management agreement with an affiliate of the Bain Capital Partners, LLC (the Sponsor) for the provision of certain consulting and management advisory services to us.

Stockholders Agreement

In connection with our going private transaction, we entered into a stockholders agreement with the Sponsor and certain other investors, stockholders and executive officers. In connection with the consummation of our initial public offering in January 2013, the provisions of the stockholders agreement, other than those relating to lock-up obligations in connection with registered offerings of our securities, terminated in accordance with the terms of the stockholders agreement, and the agreement was amended and restated to eliminate the terminated provisions. Our amended and restated stockholders agreement obligates the stockholders parties thereto, subject to the limited exceptions described in the amended and restated stockholders agreement, to enter into customary lock-up agreements with the underwriters in the event of underwritten public offerings of our shares of common stock.

Prior to our initial public offering, the stockholders agreement contained provisions relating to (i) voting of shares, which generally required each stockholder to vote in favor of the election of the directors designated by the Sponsor and also to vote in the same manner as the Sponsor to approve any sale, recapitalization, merger or other acquisition transaction, (ii) restrictions on transfer of shares, which generally prohibited stockholders from transferring shares of common stock other than in connection with a tag along right, a drag along transaction, our exercise of a call right upon departure of a manager, or otherwise in limited circumstances to affiliates or for estate planning purposes, (iii) tag along rights in connection with any sale of shares by the Sponsor, (iv) drag along rights in favor of the Sponsor in connection with any sale of at least 20% of the shares held by the Sponsor, and (v) a call right exercisable by us upon departure of a manager at a price per share that depended upon whether the manager's employment terminated with or without cause and whether the manager had violated any non-competition obligation owed to us. Each of our current directors has been elected in accordance with the terms of the stockholder agreement. All of the foregoing provisions of the stockholders agreement terminated, in accordance with their terms, upon the closing of our initial public offering and are not included in the amended and restated stockholders agreement.

Registration Rights Agreement

In connection with our going private transaction, we entered into a registration rights agreement with the Sponsor and certain other stockholders. In connection with the consummation of our initial public offering, the registration rights agreement was amended. The registration rights agreement, as amended, provides the Sponsor with certain demand registration rights following the expiration of any applicable lockup period in respect of the shares of our common stock held by them. In addition, if we from time to time register additional shares of common stock for sale to the public, we are required to give notice of such registration to the Sponsor and the other stockholders party to the agreement of our intention to effect such a registration, and, subject to certain limitations, the Sponsor and such holders have piggyback registration rights providing them with the right to require us to include shares of common stock held by them in such registration. We are required to bear the registration expenses, other than underwriting

discounts and commissions and transfer taxes, associated with any registration of shares by the Sponsor or other holders described above.

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The registration rights agreement includes customary indemnification provisions in favor of any person who is or might be deemed a controlling person within the meaning of Section 15 of the Securities Act of 1933, as amended (the Securities Act), or Section 20 of the Exchange Act and related parties against liabilities under the Securities Act incurred in connection with the registration of any of our debt or equity securities. These provisions provide indemnification against certain liabilities arising under the Securities Act and certain liabilities resulting from violations of other applicable laws in connection with any filing or other disclosure made by us under the securities laws relating to any such registrations. We have agreed to reimburse such persons for any legal or other expenses incurred in connection with investigating or defending any such liability, action or proceeding, except that we will not be required to indemnify any such person or reimburse related legal or other expenses if such loss or expense arises out of or is based on any untrue statement or omission made in reliance upon and in conformity with written information provided by such person.

Management Agreement

In connection with the going private transaction, we entered into a management agreement with the Sponsor pursuant to which the Sponsor provided us with certain consulting and management advisory services. In exchange for these services, we paid an aggregate annual management fee equal to \$2.5 million, and we reimbursed the Sponsor for out-of-pocket expenses incurred by it, its members, or its affiliates in connection with the provision of services pursuant to the management agreement, which totaled less than \$20,000 per year in 2011, 2012 and 2013. In addition, the Sponsor was entitled to a transaction fee in connection with any financing, acquisition, disposition or change of control transaction equal to 1% of the gross transaction value, including assumed liabilities, for such transaction. The Sponsor did not receive any transaction fees under the management agreement in 2010, 2011 or 2012 and in connection with the termination of the management agreement, the Sponsor waived any right to receive a transaction fee under the management agreement in connection with the initial public offering.

The management agreement included customary exculpation and indemnification provisions in favor of the Sponsor and its affiliates. The management agreement terminated immediately prior to our initial public offering in exchange for a payment to the Sponsor of approximately \$7.5 million. The indemnification and exculpation provisions in favor of the Sponsor and its affiliates survive such termination.

Policies and procedures for related party transactions

We believe that we executed all of the transactions set forth above on terms no less favorable to us than we could have obtained from unaffiliated third parties. It is our intention to ensure that all future transactions between us and our officers, directors and principal stockholders and their affiliates, are approved by the Audit Committee, and are on terms no less favorable to us than those that we could obtain from unaffiliated third parties. In addition, the Company's Code of Ethics for Senior Managers and Financial Officers states that such employees may not (i) own an interest in a company that competes or does business with the Company or (ii) participate in a joint venture, partnership or other business arrangement with the Company, in each case without the prior written approval of the Company's Compliance Officer.

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The following table sets forth information regarding the beneficial ownership of our common stock as of March 31, 2014 by

each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;

each of our named executive officers and directors; and

all of our directors and named executive officers as a group.

The percentage ownership information shown in the table below is based upon 65,840,369 shares of common stock outstanding as of March 31, 2014.

Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of more than 5% of our common stock. We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. These rules generally attribute beneficial ownership of shares to persons who possess sole or shared voting or investment power with respect to such shares. The information does not necessarily indicate beneficial ownership for any other purpose. Under these rules, the number of shares of common stock deemed outstanding includes shares issuable upon exercise of options and held by the respective person or group which may be exercised or converted within 60 days after March 31, 2014. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person or entity, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person or entity.

Unless otherwise indicated below, the address for each listed director, officer and stockholder is c/o Bright Horizons Family Solutions Inc., 200 Talcott Avenue South, Watertown, Massachusetts 02472. The inclusion in the following table of those shares, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner. Unless otherwise indicated and subject to applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over the shares listed, except for those jointly owned with that person's spouse.

Name	Number of Shares(1)	Percentage
<i>Beneficial holders of 5% or more of our outstanding common stock:</i>		
Bain Capital Fund X, L.P. and related funds(1)	34,033,737	51.7%
Baron Capital Group, Inc. and related funds(2)	4,478,079	6.8
<i>Directors and executive officers:</i>		
Lawrence Alleva	2,400	*
Joshua Bekenstein(3)		*
Elizabeth J. Boland(4)	400,472	*

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Roger H. Brown(5)	389,907	*
Stephen I. Dreier(6)	197,105	*
E. Townes Duncan	100	*
Danroy T. Henry, Sr.(7)	28,628	*
Jordan Hitch(8)		*
David Humphrey(9)		*
Marguerite W. Kondracke(9)	20,336	*
Stephen H. Kramer(10)	81,218	*
Sara Lawrence-Lightfoot		*
David H. Lissy(11)	1,018,209	1.5
Linda A. Mason(12)	389,907	*
Mary Ann Tocio(13)	905,542	1.4
All Directors, Nominees and Executive Officers as a Group (15 persons)(14)	3,043,917	4.5%

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* Indicates less than one percent.

- (1) The shares included in the table consist of: (i) 33,640,612 shares of common stock owned by Bain Capital Fund X, L.P., whose managing partner is Bain Capital Partners X, L.P., whose managing partner is Bain Capital Investors, LLC (BCI), (ii) 4,462 shares of common stock owned by BCIP Associates-G, whose managing partner is BCI, (iii) 236,151 shares of common stock owned by BCIP Associates III, LLC, whose manager is BCIP Associates III, (iv) 42,872 shares of common stock owned by BCIP Associates III-B LLC, whose manager is BCIP Associates III-B, (v) 102,540 shares of common stock owned by BCIP T Associates III, LLC, whose manager is BCIP Trust Associates III and (vi) 7,100 shares of common stock owned by BCIP T Associates III-B, LLC whose managing partner is BCIP Trust Associates III-B. BCI is the managing partner of BCIP Associates III, BCIP Associates, III-B, BCIP Trust Associates III and BCIP Trust Associates III-B. As a result of the relationships described above, BCI may be deemed to share beneficial ownership of the sh