

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

Form DEF 14A

March 30, 2016

Table of Contents

**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):

Table of Contents

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - 1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
  - 2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
  - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
  - 4) Proposed maximum aggregate value of transaction:
  
  
  
  
  
  
  
  
  
  
  - 5) Total fee paid:
- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - 1) Amount Previously Paid:
  
  
  
  
  
  
  
  
  
  
  - 2) Form, Schedule or Registration Statement No.:
  
  
  
  
  
  
  
  
  
  
  - 3) Filing Party:
  
  
  
  
  
  
  
  
  
  
  - 4) Date Filed:



**Table of Contents**

200 Talcott Avenue South

Watertown, Massachusetts 02472

March 30, 2016

Dear Shareholder:

We cordially invite you to attend our 2016 Annual Meeting of Shareholders on Thursday, May 12, 2016, at 8:00 a.m. (Eastern Time), to be held at our offices at 200 Talcott Avenue South, Watertown, Massachusetts 02472.

Pursuant to the Securities and Exchange Commission rules that allow companies to furnish proxy materials to shareholders over the Internet, we are posting our proxy materials on the Internet and delivering a Notice of the Internet Availability of the Proxy Materials (the Notice). This delivery process allows us to provide shareholders with the information they need, while at the same time conserving natural resources and lowering the cost of delivery. On or about March 30, 2016, we will begin mailing to our shareholders the Notice containing instructions on how to access our Proxy Statement for our 2016 Annual Meeting of Shareholders and our 2015 Annual Report on Form 10-K and how to request a paper copy of the proxy materials by mail. The Notice also provides instructions on how to vote online or by telephone. If you prefer, you can vote by mail by requesting a proxy card and following the instructions.

The Notice and the Proxy Statement accompanying this letter describes the business we will consider at the 2016 Annual Meeting of Shareholders. Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the 2016 Annual Meeting of Shareholders, we encourage you to consider the matters presented in the Proxy Statement and vote as soon as possible.

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

Sincerely,

David Lissy

*Chief Executive Officer*

Table of Contents

**Bright Horizons Family Solutions Inc.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**May 12, 2016**

The 2016 Annual Meeting of Shareholders ( Annual Meeting ) of Bright Horizons Family Solutions Inc. (the Company ) will be held at our offices at 200 Talcott Avenue South, Watertown, Massachusetts 02472 on Thursday, May 12, 2016, at 8:00 a.m. (Eastern Time) for the following purposes as further described in the Proxy Statement accompanying this notice:

To elect the four directors specifically named in the Proxy Statement, each for a term of three years.

To approve, on an advisory basis, the compensation paid by the Company to its named executive officers.

To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2016.

To consider any other business properly brought before the meeting.

Shareholders of record at the close of business on March 21, 2016 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 March 21, 2016, or hold a valid proxy for the Annual Meeting from such a shareholder. If you received a Notice of Internet Availability of Proxy Materials, the Notice will serve as an admission ticket to attend the Annual Meeting. If you received a paper copy of the proxy materials in the mail, the proxy card includes an admission ticket to attend the Annual Meeting. You may alternatively present a brokerage statement showing proof of your ownership of Bright Horizons stock as of March 21, 2016. **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

March 30, 2016

**Important Notice Regarding the Internet Availability of Proxy Materials for the Annual Meeting to be Held on May 12, 2016: The Proxy Statement and 2015 Annual Report on Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com). The Proxy Statement and 2015 Annual Report on Form 10-K are also available on the Investor Relations section of our website at [www.brighthorizons.com](http://www.brighthorizons.com) by clicking on Annual Meeting Materials.**

**Table of Contents**

**TABLE OF CONTENTS**

<u>Proxy Statement</u>	1
<u>Proposal 1 Election of Directors</u>	4
<u>Nominees for Election to the Board of Directors</u>	4
<u>Directors Not Standing for Election</u>	5
<u>Director Compensation</u>	9
<u>Board of Directors Meetings and Committees of the Board</u>	11
<u>Board Structure</u>	11
<u>Board Meetings and Executive Sessions</u>	11
<u>Committees and Committee Composition</u>	11
<u>Our Board's Role in Risk Oversight</u>	14
<u>Corporate Governance and Director Independence</u>	15
<u>Board Independence</u>	15
<u>Diversity and Board Expertise</u>	15
<u>Board and Committee Annual Performance Reviews</u>	15
<u>Director Nominations</u>	15
<u>Board Leadership Structure</u>	16
<u>Succession Planning</u>	16
<u>Policies Relating to Directors and Service</u>	16
<u>Director Education</u>	17
<u>Communications with Directors</u>	17
<u>Code of Business Conduct and Ethics</u>	17
<u>Online Availability of Information</u>	17
<u>Transactions with Related Persons</u>	18
<u>Stock Ownership Information</u>	20
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	22
<u>Executive Compensation</u>	23
<u>Compensation Discussion and Analysis</u>	23
<u>2015 Summary Compensation Table</u>	30
<u>Grants of Plan-Based Awards</u>	32
<u>Outstanding Equity Awards at Fiscal Year-End</u>	33
<u>Options Exercises and Stock Vested</u>	34
<u>Nonqualified Deferred Compensation</u>	34
<u>Potential Payments Upon Termination or Change-in-Control</u>	35
<u>Compensation Committee Report</u>	37
<u>Proposal 2 Advisory Vote on Named Executive Officer Compensation</u>	38
<u>Audit Committee Matters</u>	39
<u>Audit Committee Report</u>	39
<u>Audit and Other Fees</u>	41
<u>Pre-Approval Policies of Audit and Non-Audit Services</u>	41
<u>Proposal 3 Ratification of Appointment of Independent Registered Public Accounting Firm</u>	42
<u>Other Information</u>	43
<u>Shareholder Proposals for the 2017 Annual Meeting</u>	43
<u>Annual Report on Form 10-K</u>	43
<u>Shareholder Account Maintenance</u>	43

<u>Householding of Proxy Materials</u>	43
<u>Other Matters</u>	44
<u>Cost of Solicitation</u>	44
<u>Directions to the Annual Meeting</u>	45



Table of Contents

**BRIGHT HORIZONS FAMILY SOLUTIONS INC.**

**PROXY STATEMENT**

**2016 ANNUAL MEETING OF SHAREHOLDERS**

**May 12, 2016**

**8:00 a.m. (Eastern Time)**

**Information about the Annual Meeting**

The Board of Directors (the **Board**) of Bright Horizons Family Solutions Inc. (the **Company** or **Bright Horizons**) is soliciting your proxy for the 2016 Annual Meeting of Shareholders (**Annual Meeting**) and at any meeting following adjournment thereof.

The Proxy Statement, the Notice of Internet Availability of Proxy Materials (**Notice**), the proxy card and the Annual Report on Form 10-K for our fiscal year ended December 31, 2015 (fiscal 2015) 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.

**Proxies and Voting Procedures**

Your vote is important. You may vote on the Internet, by using a toll-free telephone number, or by completing a proxy card or voting instruction form and mailing it in the envelope provided. 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. If your shares are held through a broker, bank, trust or other holder of record, you may vote by Internet or telephone if your bank or broker makes those methods available, in which case the banks or brokers will enclose the instructions with the Proxy Statement. Alternatively, you may vote by signing and returning the enclosed proxy card. The Internet and telephone voting for shareholders of record will close at 11:59 p.m. Eastern Time on Wednesday, May 11, 2016. If your shares are held through a broker, bank, trust or other holder of record and Internet or telephone voting are made available to you, these may close sooner than voting for shareholders of record. If you are a participant in the Bright Horizons 401(k) Plan, your vote will serve as the voting instruction to the trustee of the plan for all shares you own through the plan. Shares of our common stock held in our 401(k) Plan must be voted on or before 11:59 p.m. Eastern Time on Monday, May 9, 2016. The trustee of our 401(k) Plan will vote shares for which timely instructions are not received in the same proportion as shares for which voting instructions were received under the plan.

The method by which you vote will not limit your right to vote at the meeting if you later decide to attend in person. 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, delivering a written revocation to the Corporate Secretary of Bright Horizons or by voting by ballot at the Annual Meeting.

If you vote your shares by mail, telephone or Internet, your shares will be voted in accordance with your instructions. If you do not indicate specific choices when you vote by mail, telephone or Internet, your shares will be voted **FOR** the proposals as the Board recommends.

To attend the Annual Meeting, you must demonstrate that you were a Bright Horizons shareholder as of the close of business on March 21, 2016, or hold a valid proxy for the Annual Meeting from such a shareholder. If you received a Notice, the Notice will serve as an admission ticket. If you received a paper copy of the proxy materials, the proxy card includes an admission ticket to attend the Annual Meeting. You may alternatively present a brokerage statement showing proof of your ownership of Bright Horizons stock as of March 21, 2016. **All shareholders must also present a valid form of government-issued picture identification in order to attend.**

## **Table of Contents**

### **Shareholders Entitled to Vote**

Shareholders of record at the close of business on March 21, 2016 are entitled to vote at the meeting. As of March 21, 2016, there were 60,331,969 shares of common stock outstanding and each share is entitled to one vote. The common stock is the only class of securities eligible to vote at the meeting. There are no cumulative voting rights.

### **Quorum and Voting Requirements**

#### *Quorum*

The presence, in person or by proxy, of the holders of a majority of the shares outstanding and entitled to vote for the election of directors is necessary to constitute a quorum for all purposes.

Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. Brokers who have record ownership of shares that they hold in street name for their clients who are the beneficial owners of the shares normally have discretion to vote such shares on routine matters, such as ratifications of independent registered public accounting firms, but not on non-routine matters. Broker non-votes generally occur when the beneficial owner of shares held by a broker does not give the broker voting instructions on a non-routine matter. Proposals 1 and 2 are non-routine matters and brokers are not permitted to vote your shares without instruction. Brokers are permitted to vote your shares on Proposal 3 (Ratification of Appointment of Independent Registered Public Accounting Firm).

#### *Required Vote Election of Directors*

A plurality of the votes cast by the shareholders entitled to vote at the Annual Meeting is required for the election of directors. This means that the four individuals receiving the highest number of **FOR** votes will be elected as directors. Broker non-votes and abstentions are not treated as votes cast and will not affect the outcome of the election.

#### *Required Vote Advisory Vote on Executive Compensation*

The affirmative vote of a majority of the votes cast by the shareholders entitled to vote at the Annual Meeting is required for the approval with respect to the advisory vote on executive compensation. Abstentions and broker non-votes will have no effect on the results of this vote.

#### *Required Vote Ratification of Appointment of Independent Auditors*

The affirmative vote of a majority of the votes cast by the shareholders entitled to vote at the Annual Meeting is required to ratify the appointment of our independent auditors. Abstentions will have no effect on the results of this vote. Because the New York Stock Exchange ( NYSE ) considers the ratification of the independent auditors to be routine, a broker holding shares in street name may vote on this proposal in the absence of instructions from the beneficial owner.

### **Electronic Delivery of Future Proxy Materials and Annual Reports**

We are pleased to offer our shareholders the opportunity to receive shareholder communications electronically. By opting for electronic delivery of documents, you will receive shareholder communications, such as our proxy statement and annual report, as soon as they become available and you will be able to review those materials and submit your vote via the Internet. Choosing electronic delivery reduces the number of documents in your mail,

conserves natural resources, and reduces our printing and mailing costs.

If you are a shareholder of record, to sign up for electronic delivery of future mailings, visit [www.proxyvote.com](http://www.proxyvote.com) and follow the instructions. Once you enroll, you will receive all future mailings via

**Table of Contents**

electronic delivery until you elect to cancel your enrollment by following the instructions provided on the website.

If you hold our common stock through a broker, bank, trust or other holder of record, please refer to the information provided by your broker, bank, trust or other holder of record regarding the availability of electronic delivery. If you hold our common stock through a broker, bank, trust or other holder of record and you have elected electronic access, you will receive information from your broker, bank, trust or other holder of record containing the Internet address for use in accessing our Proxy Statement and 2015 Annual Report on Form 10-K.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting**

**to be Held on May 12, 2016**

**The Proxy Statement and our 2015 Annual Report on Form 10-K are available at *www.proxyvote.com*. The Proxy Statement and 2015 Annual Report on Form 10-K are also available on the Investor Relations section of our website at *www.brighthorizons.com* by clicking on Annual Meeting Materials.**

**Table of Contents**

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

Bright Horizons has a classified Board currently consisting of four directors with terms expiring in 2016 (Class III), four directors with terms expiring in 2017 (Class I), and four directors with terms expiring in 2018 (Class II). 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 four Class III director nominees will stand for election to a three-year term expiring at the 2019 annual meeting. The persons named as proxies will vote to elect Lawrence Alleva, Joshua Bekenstein, Roger Brown, and Marguerite Kondracke as directors unless your 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 persons 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 2019 (Class III Directors)**

The individuals listed below, Lawrence Alleva, Joshua Bekenstein, Roger Brown, and Marguerite Kondracke, have been nominated and are standing for election at this year's Annual Meeting. If elected, they will hold office until our 2019 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.

**Lawrence Alleva, 66**

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. Mr. Alleva currently serves as a director and chair of the audit committees of Adaptimmune Therapeutics PLC, Tesaro, Inc. and Mirna

Therapeutics 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 audit, corporate governance, control and financial reporting best practices.

**Table of Contents**

**Joshua Bekenstein, 57**

Director since 1986

Mr. Bekenstein has been a managing director at Bain Capital Partners, LP ( Bain Capital ) 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 The Michaels Companies, Inc., Bombardier Recreational Products Inc., Dollarama Inc., Burlington Stores, Inc., 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, 59**

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. 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 Board well throughout his tenure as director.

**Marguerite Kondracke, 70**

Director since 2004

Ms. Kondracke served as founder and chief executive officer of CorporateFamily Solutions, Inc. from 1987 to 1998. She served as Chief Executive Officer of the Company for one year and then as Co-Chair of the Board 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. 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 chief executive officer 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 also serves on the board of LifePoint Hospitals. Ms. Kondracke served as a member of the board of directors of Saks, Inc. from 1997 to 2013 and Rosetta Stone from 2011 to 2015. Ms. Kondracke brings knowledge of developmental child care and education as well as extensive leadership experience to the Board.

**Vote Required**

A plurality of the votes cast at the meeting will be required for the election of the Class III director nominees. The four nominees for director with the highest number of affirmative votes will be elected as directors. Broker non-votes and abstentions will not be treated as votes cast for this purpose and, therefore, will not affect the outcome of the election.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE NOMINEES AS DIRECTOR.**



**Directors Not Standing for Election with Terms Expiring in 2017 (Class I Directors)**

**David Humphrey, 38**

Director since 2008

Mr. Humphrey is currently a managing director in the private equity group of Bain Capital, having joined the firm in 2001. Prior to joining Bain Capital, Mr. Humphrey was an investment banker in the mergers and

## **Table of Contents**

acquisitions group at Lehman Brothers from 1999 to 2001. Mr. Humphrey serves on the board of directors of Genpact Limited, BMC Software, Viewpoint Construction Software and Blue Coat Systems. Mr. Humphrey previously served on the board of directors of Burlington Coat Factory Warehouse Corporation, Skillsoft plc and Bloomin Brands, Inc. Mr. Humphrey has substantial knowledge of the capital markets from his experience as an investment banker and is valuable to the Board's discussions and considerations of capital and liquidity needs.

### **Dr. Sara Lawrence-Lightfoot, 71**

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 continue to provide an invaluable resource to the Board.

### **David H. Lissy, 50**

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 in the New England region. Prior to that Mr. Lissy held a similar role at US Healthcare, Inc. prior to that company's acquisition by Aetna. Mr. Lissy currently serves on the boards of the March of Dimes, Altegra Health, Jumpstart and Ithaca College. Mr. Lissy's experience prior to joining the Company, his leadership at the Company and at many charitable, business services, and educational organizations, and his management of the Company's day-to-day operations and strategic direction provides the Board with a deeper understanding of the Company's business processes and strategic plan and provides him with considerable experience and a breadth of management skills necessary to serve as a vital member of the Board.

### **Cathy E. Minehan, 69**

Director since 2016

Ms. Minehan joined the Board in March 2016. Ms. Minehan is currently the Dean of the School of Management of Simmons College, and has held that position since August 2011. She is also Managing Director of Arlington Advisory Partners, a private advisory services firm. Ms. Minehan retired from the Federal Reserve Bank of Boston in July 2007, after serving 39 years with the Federal Reserve System. From July 1994 until her retirement, she was the President and Chief Executive Officer of the Federal Reserve Bank of Boston and served on the Federal Open Market Committee. She also was the first vice president and chief operating officer of the Federal Reserve Bank of Boston from July 1991 to July 1994. Ms. Minehan currently serves on the board of directors, and as a member of the Audit and Risk Committee, of Visa Inc. and on the board of directors of Massachusetts Mutual Life Insurance Company

(MassMutual), a private company. She is also chairman of the board of trustees of the Massachusetts General Hospital, a board member of Partners Healthcare System, and co-chair of the Boston Women's Workforce Council. She also served as a member of the board of directors of Becton, Dickinson and Company from November 2007 to January 2012. Ms. Minehan is also an emeritus member of the University of Rochester's board of trustees, serves on a number of other non-profit boards in the

**Table of Contents**

areas of health care, education and public broadcasting and is an elected fellow of the America Academy of Arts and Sciences. Ms. Minehan, through her past leadership roles, her financial knowledge and her experience with risk management issues and best practices for audit committees and boards as well as her long-tenure with the Federal Reserve System, lends considerable financial, risk management, policy-making and operational expertise to the Board.

**Directors Not Standing for Election with Terms Expiring in 2018 (Class II Directors)**

**E. Townes Duncan, 62**

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 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, 49**

Director since 2008

Mr. Hitch has been a managing director at Bain Capital 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 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 strategy development, which strengthen the collective qualifications, skills and experience of our Board.

**Linda Mason, 61**

Director since 1986

Ms. Mason has served as Leader in Residence at the Harvard Kennedy School since September 2014. She 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, from 1998 through 2013, Ms. Mason served as a part-time employee of the Company, with responsibilities that included participation in Company trainings, conferences, 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 a valuable perspective to the Board.

**Table of Contents**

**Mary Ann Tocio, 67**

Director since 2001

Ms. Tocio served as Chief Operating Officer of the Company since 1998 and President since June 2000 until her retirement in June 2015. 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, more than 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 currently serves as a member of the board of directors of Burlington Stores, Inc. and Civitas Solutions (The MENTOR Network). Additionally, Ms. Tocio serves on the boards of Harvard Pilgrim Health Care, a non-profit health benefits and insurance organization, Veritas Collaborative, a hospital system specializing in pediatric and adolescent eating disorders, Dana Farber Cancer Institute, Horizons for Homeless Children, a non-profit organization that provides support for homeless children and their families, Ella Health, a women's health services provider, and Carewell, a provider of urgent care centers. Ms. Tocio served as a member of the board of directors of Mac-Gray Corporation from 2006 to 2013. Ms. Tocio's public company board experience, former operational experience as President and Chief Operating Officer of the Company and her expertise with managing growing organizations render her an invaluable resource as a director.

Table of Contents**DIRECTOR COMPENSATION**

The following table sets forth information concerning the compensation earned by our directors during fiscal 2015. Mr. Lissy does not receive any additional compensation for serving on the Board. Ms. Tocio did not receive any compensation for serving on the Board from January 1, 2015 through June 30, 2015, the date she retired from her position as President and Chief Operating Officer of the Company. Compensation for Mr. Lissy and Ms. Tocio earned as executive officers is included in the Summary Compensation Table and the supplemental tables under the heading Executive Compensation elsewhere in this Proxy Statement. Ms. Tocio's compensation for service on the Board starting on July 1, 2015 is also included in the Summary Compensation Table under the Salary column for fiscal 2015. Ms. Minehan is not included in the table below as she joined the Board on March 15, 2016, and the Company did not pay compensation to her in 2015.

Name	Fees Paid in Cash (\$)	Option Awards \$(1)	Stock Awards \$(2)(3)	Total (\$)
Lawrence Alleva	48,000		53,180	101,180
Joshua Bekenstein	51,500		53,180	104,680
Roger Brown	26,000		53,180	79,180
E. Townes Duncan	30,500		53,180	83,680
Jordan Hitch	35,500		53,180	88,680
David Humphrey	31,500		53,180	84,680
Marguerite Kondracke	32,000		53,180	85,180
Sara Lawrence-Lightfoot	31,000		53,180	84,180
Linda Mason(4)	123,500		53,180	176,680
Mary Ann Tocio	(5)			(5)

- (1) There were no stock option awards granted to our directors in fiscal 2015. As of December 31, 2015, our directors held the following options to purchase shares of our common stock: Lawrence Alleva 5,272 options, Roger Brown 12,982 options, E. Townes Duncan 2,000 options, Marguerite Kondracke 13,336 options, Sara Lawrence-Lightfoot 3,000 options, and Linda Mason 69,941 options. Messrs. Bekenstein, Hitch, and Humphrey did not hold any options to purchase shares of our common stock as of December 31, 2015.
- (2) For fiscal 2015, amounts shown reflect the fair value of restricted stock units granted to our directors in 2015, 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 2015 Annual Report on Form 10-K.
- (3) As of December 31, 2015, Lawrence Alleva, Roger Brown, E. Townes Duncan, Marguerite Kondracke, Sara Lawrence-Lightfoot and Linda Mason each held 2,011 restricted stock units and Messrs. Bekenstein, Hitch, and Humphrey each held 1,000 restricted stock units. These stock units are all fully vested and will be settled as described below.
- (4) Amount shown reflects compensation earned by Ms. Mason in her capacity as Chair of the Board, a non-employee position.
- (5) Ms. Tocio retired as President and Chief Operating Officer of the Company effective June 30, 2015. Cash compensation she earned as a member of the Board following her retirement is reflected in the Summary Compensation Table elsewhere in this Proxy Statement. Ms. Tocio did not receive any equity awards in connection with her Board service during 2015. Ms. Tocio's equity awards are included in the Outstanding Equity Awards at Fiscal Year-End table elsewhere in this Proxy Statement. Pursuant to the terms of the 2012 Omnibus

Long-Term Incentive Plan and Ms. Tocio's award documents, Ms. Tocio's restricted stock awards and stock options granted prior to her retirement date will continue to vest so long as she continues to provide service to the Company, including as a member of the Board.

The following policy for the compensation for all non-employee directors was effective for all director compensation payments in 2015.

*Annual Retainer.* Each non-employee director receives an annual board retainer of \$10,000 in cash, payable at the quarterly rate of \$2,500 and an annual equity grant of 1,000 restricted stock units. These restricted stock units are fully vested on grant and are settled on the earliest of (a) the director's termination of service as a member of the Board, (b) the fifth anniversary of the date of grant, and (c) a change of control of the Company.

*Annual Chair of the Board Retainer.* The Chair of the Board receives an annual retainer of \$95,000 payable at the quarterly rate of \$23,750.



**Table of Contents**

*Annual Committee Chair Retainer.* The chair of the Compensation Committee receives an annual retainer of \$20,000, the chair of the Audit Committee receives an annual retainer of \$20,000, and the chair of the Nominating and Corporate Governance Committee receives an annual retainer of \$5,000.

*Meeting Fees.* Each non-employee director receives \$4,000 for each Board meeting attended in person or \$1,000 for each Board meeting attended by conference call. Each non-employee director who attends a special committee meeting of the Board receives \$1,500 for each committee meeting attended in person or \$500 for each committee meeting attended by conference call. Each member of the Compensation Committee, Audit Committee and Nominating and Corporate Governance Committee receives \$1,500 for each committee meeting attended in person or \$500 for each committee meeting attended by conference call.

*Expense Reimbursements.* The Company reimburses Board members for reasonable expenses incurred in attending meetings.

**Table of Contents**

**BOARD OF DIRECTORS MEETINGS AND COMMITTEES OF THE BOARD**

**Board Structure**

We have an Audit Committee, Compensation Committee and a Nominating and Corporate Governance Committee with the composition and responsibilities described below. Each committee operates under a charter that has been approved by our Board. A copy of each charter can be found by clicking on [Corporate Governance](#) in the Investor Relations section of our website, [www.brighthorizons.com](http://www.brighthorizons.com). The members of each committee are appointed by the Board and each member serves until his or her successor is elected and qualified, unless he or she is earlier removed or resigns.

Our Board is comprised of a majority of independent directors, and our standing committees, Audit, Compensation and Nominating and Corporate Governance, are composed entirely of independent directors as defined under the rules of the NYSE and the Securities and Exchange Commission ( SEC ). For information on our director independence, please see [Corporate Governance and Director Independence](#) elsewhere in this Proxy Statement.

**Board Meetings and Executive Sessions**

Our Board and its committees meet periodically throughout the year, as needed, to oversee management of the Company's business and affairs for the benefit of its shareholders. During 2015, our Board held five meetings and acted by written consent four times. During 2015, 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. We encourage, but do not require, our directors to attend annual meetings of shareholders and, in 2015, three of our directors attended.

Periodically throughout the year, the non-employee directors meet in executive session without members of management present. These meetings allow non-employee directors to discuss issues of importance to the Company, including the business and affairs of the Company as well as matters concerning management, without any member of management present. Executive sessions of non-employee directors are chaired by Ms. Mason, our Chair. In addition, the independent members of the Board meet in executive session at least once per year at which only independent directors are present.

**Committees and Committee Composition**

The Board has three standing committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. In addition, from time to time, special committees may be established under the direction of the Board when necessary to address specific issues. The Board has delegated various responsibilities and authorities to these committees, as described below and in the committee charters.

**Table of Contents**

The committees periodically report on their activities and actions to the Board. The table below provides information about the current membership of these committees:

<b>Name</b>	<b>Audit</b>	<b>Compensation</b>	<b>Nominating and Corporate Governance</b>
Lawrence M. Alleva	X*		
Joshua Bekenstein		X	
Roger H. Brown			
E. Townes Duncan	X		
Jordan Hitch		X*	X
David Humphrey		X	
Marguerite Kondracke	X		X*
Dr. Sara Lawrence-Lightfoot			X
David Lissy			
Linda Mason			
Cathy E. Minehan(1)	X		
Mary Ann Tocio			
Number of meetings during fiscal 2015	8	3	4

\* Chair

(1) Joined the Board in March 2016.

*Audit Committee*

The Audit Committee's purpose, roles and responsibilities are set forth in a written Audit Committee charter adopted by our Board, which can be found in the Investor Relations section of our website at [www.brighthorizons.com](http://www.brighthorizons.com) under Corporate Governance. The Audit Committee's purpose is to assist the Board in its oversight of (i) the integrity of the consolidated financial statements of the Company, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications and independence, (iv) the performance of the Company's internal audit function and independent auditors, and (v) the Company's internal control over financial reporting. The Audit Committee's primary duties and responsibilities are to:

Appoint, evaluate, oversee, retain, compensate, terminate and change the registered public accounting firm for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for us. The registered public accounting firm reports directly to the Audit Committee.

Pre-approve all auditing services, internal control-related services and permissible non-audit services to be performed for us by our independent auditors.

Review and discuss with management and the independent auditor the annual audited and quarterly financial statements, including reviewing specific disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations.

Review and discuss reports from the independent auditor with regard to critical accounting policies and practices used in such financial statements.

Review and approve related party transactions.

Review and discuss with management, internal auditors and the independent auditor any material issues regarding accounting principles and financial statement presentations made in connection with the preparation of our financial statements, including any significant changes in our selection or application of accounting principles.

Review and discuss with management, internal auditors and the independent auditors the adequacy of our internal controls and any special steps or remedial measures adopted in light of material control weaknesses.

## **Table of Contents**

The Audit Committee consists of Lawrence Alleva, E. Townes Duncan, Marguerite Kondracke and Cathy Minehan. Our Board has determined that all the members are independent directors pursuant to Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the Exchange Act), and the listing rules of the NYSE. Mr. Alleva and Ms. Minehan are also each considered an audit committee financial expert within the meaning of the applicable rules of the SEC.

### *Compensation Committee*

The Compensation Committee's purpose, roles and responsibilities are set forth in a written Compensation Committee charter adopted by our Board, which can be found in the Investor Relations section of our website at [www.brighthorizons.com](http://www.brighthorizons.com) under Corporate Governance. The Compensation Committee's primary purpose is to:

Assist the Board 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.

Approve the compensation plans, policies and programs and approve specific compensation levels for our executive officers.

Review and recommend the compensation structure for directors.

Assist the Board in developing and evaluating potential candidates for executive positions (including the Chief Executive Officer) and oversee the development of executive succession plans.

Make recommendations regarding employee incentive compensation plans and equity-based plans.

The Compensation Committee consists of Joshua Bekenstein, Jordan Hitch and David Humphrey. Our Board has determined that all the members are independent directors pursuant to the listing rules of the NYSE and the SEC. The Compensation Committee does not use a compensation consultant. The Compensation Committee, in its role as administrator under the Company's 2012 Omnibus Long-Term Incentive Plan, approved the delegation of authority to the Company's Chief Executive Officer to grant equity awards under the plan within certain specified parameters.

### *Compensation Committee Interlocks and Insider Participation*

During 2015, no member of our Compensation Committee was an officer or employee of the Company or served as a member of the board or compensation committee of any entity that has one or more executive officers serving as members of the Bright Horizons Board or its Compensation Committee and no executive officer of the Company served on the compensation committee or board of any entity that has one or more executive officers serving on the Bright Horizons Board or Compensation Committee. Each of Messrs. Bekenstein, Hitch and Humphrey is affiliated with Bain Capital. For additional information regarding transactions between Bain Capital and the Company, please see Transactions with Related Persons below.

### *Nominating and Corporate Governance Committee*

The Nominating and Corporate Governance Committee's purpose, roles and responsibilities are set forth in a written charter adopted by our Board, which can be found in the Investor Relations section of our website at [www.brighthorizons.com](http://www.brighthorizons.com) under Corporate Governance. The Nominating and Corporate Governance Committee primary purpose is to:

Identify individuals qualified to become members of the Board.

Recommend to the Board director nominees for the next shareholders' meeting.

Review the Company's Corporate Governance Guidelines.

## **Table of Contents**

The Nominating and Corporate Governance Committee consists of Jordan Hitch, Marguerite Kondracke, and Sara Lawrence-Lightfoot. Our Board has determined that all the members are independent directors pursuant the listing rules of the NYSE.

### **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 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 oversees the Company's internal audit function and 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**

**CORPORATE GOVERNANCE AND DIRECTOR**