

**BRIGHT HORIZONS FAMILY SOLUTIONS INC.  
CORPORATE GOVERNANCE GUIDELINES**

**SELECTION AND COMPOSITION OF BOARD OF DIRECTORS**

*Size of the Board*

Our certificate of incorporation provides that the board of directors (the “Board”) consist of not less than 3 nor more than 15 directors with the exact number determined from time to time by resolution of the Board. We believe a board should neither be too small to maintain the needed expertise and independence nor too large to be efficiently functional. Our general expectation is that our Board will consist of approximately 10 to 13 directors, although we periodically review the appropriate size and mix of the Board in light of our stated objectives below.

*Selection of New Directors*

The Nominating and Corporate Governance Committee is responsible for identifying and reviewing candidates for director positions and will recommend director nominees to the Board for consideration and approval. The Board is responsible for recommending candidates for election by the stockholders or, in the case of a vacancy, appointing an individual to fill such vacancy.

*Board Membership Criteria*

It is the policy of our Board that directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders. The composition of the Board and each of its committees shall adhere to the standards of independence required by the New York Stock Exchange (the “NYSE”) and applicable law (as explained below under “*Director Independence*”) and should reflect a range of talents, ages, skills, character, diversity, 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 the operations and interests of Bright Horizons Family Solutions Inc. (the “Company”). From time to time, the Board shall review the appropriate skills and characteristics required of members in the context of its current make-up.

Our Board members must be able to dedicate the time necessary for the diligent performance of their duties, including preparing for and attending Board and applicable committee meetings. In this respect, directors with full-time jobs should not serve on the boards of more than three other public companies. We believe that no director should serve on more than four boards of public companies (including our Board), provided, however, that this restriction shall not apply to those directors with full-time jobs that require the director to serve on the boards of other companies. We believe that the CEO should serve no more than two boards of public companies (including our Board).

*Director Independence*

At least a majority of the members of our Board shall be independent. The Board will determine the independence of a director according to the definitions of “independent director” included in the NYSE Listed Company Manual and other relevant laws, rules and regulations.

In addition to the above independence requirements, the members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee must satisfy additional independence requirements, as required by the NYSE Listed Company Manual and the rules and regulations of the Securities and Exchange Commission.

#### *Majority Voting in the Election of Directors and Related Director Resignation Policy*

The Board has adopted majority voting in the election of directors at uncontested elections of directors. Accordingly, pursuant to the Company's Amended and Restated Bylaws, directors are elected by a majority of the votes cast by stockholders in an uncontested election of directors. As such, except as otherwise provided in the Company's Amended and Restated Bylaws and the Company's certificate of incorporation, each nominee for director shall be elected to the Board if the votes cast for such nominee's election exceed the votes cast against such nominee's election at any meeting for the election of directors at which a quorum is present. In the case of a contested election of directors (as defined below), directors shall be elected by a plurality of the votes cast. Votes cast shall exclude abstentions and broker non-votes with respect to that nominee's election.

In order for any person to be eligible to be a nominee of the Board for service on the Board as a director, such person must submit an irrevocable letter of resignation, which, upon becoming a director, shall become effective upon (1) such person's failure to receive a majority of the votes cast by stockholders regarding the election of such director at the next meeting of stockholders at which such person faces election in an election that is not a contested election of directors and (2) acceptance of such resignation by the Board, in accordance with Section 2.2 of the Company's Amended and Restated Bylaws.

In order for any incumbent director to be eligible to be a nominee of the Board for further service on the Board as a director, such person must submit or have submitted an irrevocable letter of resignation, which shall become effective upon (1) such person's failure to receive a majority of the votes cast by stockholders regarding the election of such director at the next meeting of stockholders at which such person faces re-election in an election that is not a contested election of directors and (2) acceptance of such resignation by the Board, in accordance with Section 2.2 of the Company's Amended and Restated Bylaws.

For purposes of these Corporate Governance Guidelines, a "contested election of directors" occurs when there is a meeting of stockholders for which (i) the Secretary of the Company receives from a stockholder an advance notice indicating that such stockholder intends to propose at least one candidate for election as a director at a meeting of stockholders which notice is in compliance with the advance notice requirements for stockholder nominees for director set forth in Section 1.2 of the Company's Amended and Restated Bylaws and (ii) such notice of nomination has not been withdrawn by such stockholder on or before the tenth (10th) calendar day before the Company files its definitive proxy statement for such meeting with the Securities and Exchange Commission (regardless of whether or not such proxy statement is thereafter revised or supplemented).

#### *Non Independent Directors*

The Board is willing to have members of senior management, in addition to our Chief Executive Officer, and other individuals who may not meet the above definition of independence, as directors. In addition, the Board believes that it may be beneficial to the discharge of their duties as directors for senior managers that do not serve on the Board to nonetheless attend Board meetings on a regular basis. It is

understood, however, that matters of corporate governance will be decided by non-management directors in consultation with the Chair of the Board and the Nominating and Corporate Governance Committee.

#### *Directors Who Change Their Present Job Responsibility*

It is the belief of the Board that directors who retire or otherwise change from the principal occupation or background association they held when they were originally invited to join our Board should provide notice to the Nominating and Corporate Governance Committee or the Board of the change and offer to resign from the Board. The Board does not believe that directors who retire or otherwise change from the principal occupation or background association they held when they were originally invited to join our Board should necessarily leave the Board. There should, however, be an opportunity for the Board to review the continued appropriateness of that director's membership under the circumstances. The Board also believes that each director should advise the Board in advance of accepting an invitation to serve as a member on another public company board of directors.

It is assumed that when the Chief Executive Officer resigns from that position that he or she should also offer his or her resignation from the Board. Whether that individual continues to serve on the Board is a matter for discussion at that time between the Board and the new Chief Executive Officer.

A director, other than the Chief Executive Officer, who is also an employee of the Company, shall offer his or her resignation from the Board to the Nominating and Corporate Governance Committee contemporaneously with his or her retirement/resignation from the management of the Company. The Board should have an opportunity to review the continued appropriateness of that director's membership under the circumstances.

#### *Director Term Limits*

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of potentially resulting in loss of the contribution of directors who over time have developed increasing insight into the Company and its operations and special regulatory environment and who therefore provide an increasing contribution to the Board as a whole.

The Board, in consultation with the Chief Executive Officer, should review each director's continuation on the Board every three years. This will also allow each director the opportunity to confirm his or her desire to continue as a member of the Board.

#### *Board Leadership Structure*

While the Board has no set policy with respect to the separation of the offices of Chair and the Chief Executive Officer and may review these offices from time to time, the Board has a long-standing practice of separating the offices of the Chair and the Chief Executive Officer. The Board believes that this issue is part of the succession planning process and that it is in the best interest of the Company for the Board to make a particular determination in the context of selecting a new Chief Executive Officer.

## **BOARD COMPENSATION AND PERFORMANCE**

#### *Board Compensation Policy and Stock Ownership*

The Compensation Committee shall have the responsibility for recommending to the entire Board the compensation and benefits for non-employee directors. It is appropriate for the Compensation Committee to report from time to time to the entire Board on the status of director compensation in relation to other comparable companies in the United States and other comparable companies operating in the Company's industry. An executive officer of the Company serving as a member of the Board shall not receive additional compensation for service as a director.

Proposed changes in director compensation, if any, should come at the suggestion of the Compensation Committee, but with full discussion and concurrence by the entire Board. We believe that equity ownership by directors is an important component in aligning director interests with those of our stockholders and other stakeholders. The Compensation Committee has developed guidelines for non-employee directors to own designated amounts of Company stock as further outlined in the Company's Stock Ownership Guidelines.

#### *Evaluation of Board Performance*

The Board must conduct a self-evaluation of its overall performance annually. If the Board so desires, it may be assisted by an outside consultant in assessing its overall performance. If the Board prepares a report summarizing the evaluation, the report should be discussed with the full Board.

Such report should include an evaluation of, among other things, (i) composition and independence of the Board, (ii) access to and review of information from management, (iii) responsiveness of the Board to stockholder concerns and (iv) maintenance and implementation of these corporate governance guidelines.

The evaluation should be of the contribution of the Board as a whole and should specifically review areas in which the Board and/or management believes a better contribution could be made. The purpose of the evaluation is to increase the effectiveness of the Board, not to target individual directors.

#### *Orientation and Continuing Education*

The Board has a complete orientation and continuing education process for directors consisting of background written material on the Company, meetings with and presentations by senior management, tours of the Company's facilities and training on fiduciary responsibilities and liabilities.

#### *Interaction with Institutional Investors, Press, Customers, Etc.*

The Board believes that management speaks for the Company. Our individual non-management Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that these members would do this with the knowledge of management and, in most instances, at the request of management. Non-employees directors may, in appropriate circumstances, engage with shareholders directly on certain matters.

### **MEETINGS OF THE BOARD OF DIRECTORS**

#### *Scheduling and Selection of Agenda Items for Board Meetings*

The Chair of the Board, in consultation with other members of the Board, will determine the frequency and length of Board meetings. It is the belief of the Board that regular meetings at appropriate

intervals are in general desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, additional unscheduled meetings may be called upon appropriate notice at any time to address any special needs.

The Chair of the Board will establish the agenda for each Board meeting and distribute it in advance to Board members. Each director is free to suggest the inclusion of items on an agenda, to raise at any Board meeting subjects that are not on the agenda for that meeting or to request the presence of or a report by any member of management. During at least one Board meeting each year, the Board will be presented the long-term strategic plan for the Company and the principal issues that it expects to face in the future.

#### *Board Material and Presentations*

Information and data that is important to the understanding of the business and matters to be considered at the Board meeting should be distributed in writing and in advance to Board members. As a general rule, materials on specific subjects should be sent to the Board members sufficiently in advance so directors will be prepared to discuss questions that they may have about the material.

The Board encourages management to schedule managers to present at Board meetings who (i) can provide additional insight into the specific matters being discussed because of personal involvement in these areas or (ii) have future potential that management believes should be given exposure to the Board.

#### *Participation in Board Meetings and Director Responsibilities*

Board members are expected to become and remain informed about the Company, its business and its industry, and to rigorously prepare for, attend and participate in all Board and applicable committee meetings. The Board seeks to have a Board that represents diversity as to experience, gender and ethnicity/race and shall be committed to a diversified membership, in terms of both the individuals involved as well as their various experiences and areas of expertise.

#### *Access to Management, Employees and Advisors*

Each director is encouraged to keep informed of the affairs of the Company between Board meetings through direct contact with employees, members of senior management and outside advisors and each director will have complete access to any such employee, member of senior management and outside advisor (subject to any applicable NYSE rules). It is expected that any such contact will be coordinated through the Chair of the Board and that each director will use judgment to assure that such access is not distracting to the business operation of the Company.

#### *Meetings of the Non-Management Directors*

In order to allow interested parties the opportunity to make their concerns known to non-management directors, the Board has established a procedure for these parties to communicate directly with the non-management directors.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

#### *Number of Committees*

Our Board will establish committees from time to time to facilitate and assist in the execution of its responsibilities. These committees shall generally address issues that, because of their complexity and technical nature, level of detail and time requirements or because of proper corporate governance principles cannot be adequately addressed at larger Board meetings.

We currently have three committees, the Compensation Committee, the Audit Committee, and the Nominating and Corporate Governance Committee. There will, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances. The Company complies with all requirements of the NYSE relating to the constitution of key committees, including requirements relating to the independence of committee members. Accordingly, subject to applicable phase-in rules and exceptions, only independent directors may serve on the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. In addition, all standing committees shall be chaired by independent directors.

Each committee shall have a written charter of responsibilities and authorities that shall be periodically reviewed by the committee, with any changes recommended to the Board for its approval. We have made the charter for each of our Compensation, Audit, and Nominating and Corporate Governance Committees publicly available on our website.

#### *Assignment and Term of Service of Committee Members*

The Board is responsible for the appointment of committee members and committee chairs, taking into account the desires of individual members and the suggestions of the Chair of the Board. It is expected that each committee chair will have had previous service on the applicable committee. In making such appointments, the Board shall consider the rotation of committee membership and chairs at appropriate intervals, although the Board does not believe that rotation should be mandated as a policy.

#### *Frequency and Length of Committee Meetings and Committee Agenda*

Each committee chair, in consultation with the other committee members, will determine the frequency and length of committee meetings and, in consultation with the Chair of the Board and appropriate members of senior management, develop the agenda for committee meetings. The agendas and meeting minutes of the committees will be shared with the full Board. Any director that is not a member of a particular committee may attend any committee meetings with the concurrence of the committee chair.

## **LEADERSHIP DEVELOPMENT**

#### *Formal Evaluation of Chief Executive Officer*

The Compensation Committee should make this evaluation annually, and the evaluation should be communicated to the Chief Executive Officer by the chair of the Compensation Committee.

The evaluation should be based on clearly articulated criteria, including performance of the business, accomplishment of long-term strategic objectives, development of senior management and any other criteria the Board determines to be relevant.

The evaluation will be used by the Compensation Committee in the course of its deliberations

when considering the compensation of the Chief Executive Officer.

*Succession Planning and Management Development*

The Chief Executive Officer reviews succession planning and management development with the Board on an annual basis. This succession planning includes the development of policies and principles for selection of the Chief Executive Officer, including succession in the event of an emergency or retirement.

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The Nominating and Corporate Governance Committee of the Company will review these corporate governance guidelines periodically and recommend any changes to the Board for approval.