
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

Commission file number: 001-35780

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

200 Talcott Avenue South
Watertown, MA
(Address of principal executive offices)

80-0188269
(I.R.S. Employer
Identification Number)

02472
(Zip code)

Registrant's telephone number, including area code: (617) 673-8000

Indicate by check mark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes No

As of July 28, 2017, the Company had 59,157,354 shares of common stock, \$0.001 par value, outstanding.

**BRIGHT HORIZONS FAMILY SOLUTIONS INC.
FORM 10-Q**

For the quarterly period ended June 30, 2017

TABLE OF CONTENTS

	Page
PART I. FINANCIAL INFORMATION	
Item 1. Condensed Consolidated Financial Statements (Unaudited)	3
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	17
Item 3. Quantitative and Qualitative Disclosures About Market Risk	27
Item 4. Controls and Procedures	27
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	28
Item 1A. Risk Factors	28
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	28
Item 3. Defaults Upon Senior Securities	28
Item 4. Mine Safety Disclosures	28
Item 5. Other Information	28
Item 6. Exhibits	29
Signatures	30

PART I. FINANCIAL INFORMATION
Item 1. Condensed Consolidated Financial Statements (Unaudited)

BRIGHT HORIZONS FAMILY SOLUTIONS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 34,337	\$ 14,633
Accounts receivable—net	81,805	97,212
Prepaid expenses and other current assets	51,764	42,554
Total current assets	167,906	154,399
Fixed assets—net	556,409	529,432
Goodwill	1,298,676	1,267,705
Other intangibles—net	363,523	374,566
Other assets	31,858	32,915
Total assets	\$ 2,418,372	\$ 2,359,017
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 10,750	\$ 10,750
Borrowings on revolving credit facility	67,000	76,000
Accounts payable and accrued expenses	123,275	125,400
Deferred revenue	167,897	146,692
Other current liabilities	28,204	28,738
Total current liabilities	397,126	387,580
Long-term debt—net	1,050,889	1,054,009
Deferred rent and related obligations	64,240	59,518
Other long-term liabilities	58,660	52,048
Deferred revenue	7,981	6,284
Deferred income taxes	117,439	111,711
Total liabilities	1,696,335	1,671,150
Stockholders' equity:		
Preferred stock, \$0.001 par value; 25,000,000 shares authorized and no shares issued or outstanding at June 30, 2017 and December 31, 2016	—	—
Common stock, \$0.001 par value; 475,000,000 shares authorized; 58,765,408 and 58,910,282 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	59	59
Additional paid-in capital	828,786	899,076
Accumulated other comprehensive loss	(59,402)	(89,448)
Accumulated deficit	(47,406)	(121,820)
Total stockholders' equity	722,037	687,867
Total liabilities and stockholders' equity	\$ 2,418,372	\$ 2,359,017

See notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Revenue	\$ 445,546	\$ 402,053	\$ 867,710	\$ 787,375
Cost of services	331,205	297,670	648,435	587,216
Gross profit	114,341	104,383	219,275	200,159
Selling, general and administrative expenses	48,869	40,756	95,015	80,787
Amortization of intangible assets	8,666	7,049	16,050	14,197
Income from operations	56,806	56,578	108,210	105,175
Interest expense—net	(10,654)	(10,304)	(21,428)	(20,988)
Income before income taxes	46,152	46,274	86,782	84,187
Income tax expense	(13,112)	(15,871)	(12,368)	(29,057)
Net income	\$ 33,040	\$ 30,403	\$ 74,414	\$ 55,130
Earnings per common share:				
Common stock—basic	\$ 0.56	\$ 0.51	\$ 1.25	\$ 0.92
Common stock—diluted	\$ 0.54	\$ 0.50	\$ 1.22	\$ 0.90
Weighted average number of common shares outstanding:				
Common stock—basic	59,053,200	59,219,142	59,154,153	59,525,655
Common stock—diluted	60,379,657	60,635,241	60,641,468	60,967,825

See notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net income	\$ 33,040	\$ 30,403	\$ 74,414	\$ 55,130
Other comprehensive income (loss):				
Foreign currency translation adjustments	22,705	(19,900)	30,046	(24,840)
Total other comprehensive income (loss)	22,705	(19,900)	30,046	(24,840)
Comprehensive income	<u>\$ 55,745</u>	<u>\$ 10,503</u>	<u>\$ 104,460</u>	<u>\$ 30,290</u>

See notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six months ended June 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 74,414	\$ 55,130
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	46,604	41,091
Amortization of original issue discount and deferred financing costs	881	1,903
Gain on foreign currency transactions	(60)	(122)
Non-cash revenue and other	—	(29)
Loss (gain) on disposal of fixed assets	736	(143)
Stock-based compensation	5,514	5,646
Deferred rent	2,583	630
Deferred income taxes	4,192	(3,078)
Changes in assets and liabilities:		
Accounts receivable	16,432	25,131
Prepaid expenses and other current assets	(8,630)	9,695
Accounts payable and accrued expenses	(4,627)	5,347
Deferred revenue	20,933	1,182
Accrued rent and related obligations	1,628	1,271
Other assets	1,303	2,998
Other current and long-term liabilities	5,694	230
Net cash provided by operating activities	167,597	146,882
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets—net	(42,195)	(27,293)
Payments and settlements for acquisitions—net of cash acquired	(17,026)	(2,359)
Net cash used in investing activities	(59,221)	(29,652)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under revolving credit facility	322,601	156,700
Payments under revolving credit facility	(331,601)	(151,100)
Principal payments of long-term debt	(2,688)	(4,775)
Payments for debt issuance costs	(1,314)	(1,002)
Purchase of treasury stock	(73,223)	(94,896)
Taxes paid related to the net share settlement of stock options and restricted stock	(23,309)	—
Proceeds from issuance of common stock upon exercise of options	15,351	4,478
Proceeds from issuance of restricted stock	4,305	3,682
Payments of contingent consideration for acquisitions	—	(750)
Tax benefits from stock-based compensation	—	5,103
Net cash used in financing activities	(89,878)	(82,560)
Effect of exchange rates on cash and cash equivalents	1,206	(1,183)
Net increase in cash and cash equivalents	19,704	33,487
Cash and cash equivalents—beginning of period	14,633	11,539
Cash and cash equivalents—end of period	\$ 34,337	\$ 45,026

BRIGHT HORIZONS FAMILY SOLUTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six months ended June 30,	
	2017	2016
NON-CASH TRANSACTION:		
Fixed asset purchases recorded in accounts payable and accrued expenses	\$ 3,000	\$ 3,000
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash payments of interest	\$ 23,128	\$ 19,214
Cash payments of taxes	\$ 20,495	\$ 18,849

See notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization—Bright Horizons Family Solutions Inc. (“Bright Horizons” or the “Company”) provides workplace services for employers and families throughout the United States and the United Kingdom, and also in Puerto Rico, Canada, Ireland, the Netherlands, and India. Workplace services include center-based child care, education and enrichment programs, elementary school education, back-up dependent care (for children and elders), before and after school care, college preparation and admissions counseling, tuition reimbursement program management, and other family support services.

Basis of Presentation—The accompanying unaudited condensed consolidated balance sheet as of June 30, 2017 and the condensed consolidated statements of income, comprehensive income and cash flows for the interim periods ended June 30, 2017 and 2016 have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP” or “GAAP”) for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required in accordance with U.S. GAAP for complete financial statements and should be read in conjunction with the audited financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016.

In the opinion of the Company’s management, the Company’s unaudited condensed consolidated balance sheet as of June 30, 2017 and the condensed consolidated statements of income, comprehensive income and cash flows for the interim periods ended June 30, 2017 and 2016, reflect all adjustments (consisting only of normal and recurring adjustments) necessary to present fairly the results of the interim periods presented. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year.

Stock Offerings—On January 30, 2013, the Company completed an initial public offering (the “Offering”) and issued a total of 11.6 million shares of common stock. The Company also authorized 25 million shares of undesignated preferred stock for issuance.

Certain of the Company’s stockholders have sold a total of 43.6 million shares of the Company’s common stock in secondary offerings (“secondary offerings”), including 4.15 million in the six months ended June 30, 2017. The Company did not receive proceeds from the sale of shares in the secondary offerings. The Company incurred \$0.2 million in the six months ended June 30, 2017 in offering costs related to secondary offerings, which were included in selling, general and administrative expenses. The Company purchased 0.7 million of the shares sold in secondary offerings in the six months ended June 30, 2017 from investment funds affiliated with Bain Capital Partners, LLC at the same price per share paid by the underwriter to the selling stockholders. As of June 30, 2017, investment funds affiliated with Bain Capital Partners, LLC held approximately 14.2% of our common stock.

On August 2, 2016, the Board of Directors of the Company authorized a share repurchase program of up to \$300 million of the Company’s outstanding common stock, effective August 5, 2016, of which \$209.6 million remained available at June 30, 2017. The share repurchase program, which has no expiration date, replaced the prior \$250 million authorization announced in February 2015, of which \$26.3 million remained available at the date the program was replaced. The shares may be repurchased from time to time in open market transactions at prevailing market prices, in privately negotiated transactions, under Rule 10b5-1 plans, or by other means in accordance with federal securities laws.

Recently Adopted Pronouncement— In March 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-09: *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The amendments in this update simplify several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures and statutory tax withholding requirements, as well as classification on the statement of cash flows. The update is effective for annual reporting periods beginning after December 15, 2016, including interim periods within those annual reporting periods with early adoption permitted. The Company adopted the standard prospectively on January 1, 2017, and as such, prior periods have not been adjusted. The adoption of this guidance impacted the Company’s income tax expense, effective tax rate, and weighted average shares outstanding. Upon adoption, the Company now recognizes all excess tax benefits and tax deficiencies as income tax benefits or expenses on the income statement, which were previously recorded to additional paid-in capital on the balance sheet. As a result, the Company decreased tax expense and increased net income by \$3.4 million and \$18.5 million in the three and six months ended June 30, 2017, respectively, in relation to the excess tax benefit associated with the exercise of stock options and vesting of restricted stock. Additionally, weighted average diluted common shares increased in the three and six months ended June 30, 2017 by approximately 0.4 million and 0.9 million shares, respectively, under the new methodology and tax benefits from stock option exercises were included with cash flows from operating activities as a component of net income rather than as cash flows from financing activities under previous guidance.

New Accounting Pronouncements— In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This standard amends the existing guidance and requires lessees to recognize on the balance sheet assets and liabilities for the rights and obligations created by those leases with lease terms longer than twelve months. This guidance is effective for interim and annual reporting periods beginning after December 15, 2018, and is to be applied using a modified retrospective approach. Early adoption is permitted. The Company is currently in the process of evaluating the impact of adoption of this ASU on the Company's consolidated financial statements. Based on its preliminary assessment, the Company anticipates that the adoption of this standard will have a material impact on the Company's consolidated financial statements, as all long-term leases will be capitalized on the consolidated balance sheet.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides a single comprehensive model for revenue recognition. The FASB has subsequently issued various ASUs which amend or clarify specific areas of the guidance. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under current guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration included in the transaction price and allocating the transaction price to each separate performance obligation. This new guidance is effective for the Company beginning January 1, 2018 and can be adopted using either a full retrospective or modified approach, and the Company plans to adopt the standard using the modified approach. The Company is currently in the process of evaluating the impact of adoption of this ASU on the Company's consolidated financial statements, but does not currently anticipate it will have a material impact on the Company's consolidated results of operations.

2. ACQUISITIONS

The Company's growth strategy includes expansion through strategic and synergistic acquisitions. The goodwill resulting from these acquisitions arises largely from synergies expected from combining the operations of the businesses acquired with our existing operations, as well as from benefits derived from gaining the related assembled workforce.

2017 Acquisitions

During the six months ended June 30, 2017, the Company acquired ten centers in the Netherlands and two centers in the United States, in five separate business acquisitions, which were each accounted for as business combinations. The centers were acquired for cash consideration of \$16.9 million, net of cash acquired of \$0.1 million, and consideration payable of \$0.2 million. The Company recorded goodwill of \$12.5 million related to the full service center-based care segment, a portion of which will be deductible for tax purposes. In addition, the Company recorded intangible assets of \$1.8 million, consisting of customer relationships that will be amortized over three to four years, as well as fixed assets of \$4.8 million, deferred tax liabilities of \$0.6 million, and a working capital deficit of \$1.5 million in relation to these acquisitions.

The allocation of purchase price consideration is based on preliminary estimates of fair value; such estimates and assumptions are subject to change within the measurement period (up to one year from the acquisition date). As of June 30, 2017, the purchase price allocations for these acquisitions remain open as the Company gathers additional information regarding the assets acquired and the liabilities assumed. The operating results for the acquired businesses are included in the consolidated results of operations from the date of acquisition, which were not material to the Company's financial results.

2016 Acquisitions

Conchord Limited ("Asquith")

On November 10, 2016, the Company acquired all of the outstanding shares of Conchord Limited, which operates Asquith Day Nurseries & Pre-Schools ("Asquith"), a group of 90 child care centers and programs throughout the United Kingdom, for cash consideration of \$206.1 million, which was accounted for as a business combination. The purchase price was financed with available cash on hand and funds available under the Company's senior credit facilities. The Company incurred transaction costs of approximately \$1.4 million for this transaction, which were included in selling, general and administrative expenses in 2016.

The purchase price for this acquisition has been allocated based on preliminary estimates of the fair values of the acquired assets and assumed liabilities at the date of acquisition as follows (in thousands):

	At acquisition date As reported December 31, 2016	Measurement period adjustments	At acquisition date As reported June 30, 2017
Cash	\$ 5,210	\$ —	\$ 5,210
Prepaid expenses and other assets	5,700	(253)	5,447
Fixed assets	96,868	(1,173)	95,695
Intangible assets	10,540	1,860	12,400
Goodwill	122,714	241	122,955
Total assets acquired	241,032	675	241,707
Accounts payable and accrued expenses	(18,696)	(344)	(19,040)
Deferred revenue and parent deposits	(5,394)	—	(5,394)
Deferred tax liabilities	(7,793)	(331)	(8,124)
Other long-term liabilities	(3,048)	—	(3,048)
Total liabilities assumed	(34,931)	(675)	(35,606)
Purchase price	\$ 206,101	\$ —	\$ 206,101

The Company acquired fixed assets of \$95.7 million, including 39 properties. The Company recorded goodwill of \$123.0 million, which will not be deductible for tax purposes. Goodwill related to this acquisition is reported within the full service center-based care segment. Intangible assets consist of \$9.9 million of customer relationships that will be amortized over five years and \$2.5 million of trademarks that will be amortized over six years.

The allocation of purchase price consideration is based on preliminary estimates of fair value; such estimates and assumptions are subject to change within the measurement period (up to one year from the acquisition date). As of June 30, 2017, the purchase price allocation for Asquith remains open as the Company gathers additional information regarding the assets acquired and the liabilities assumed, primarily in relation to working capital and the Company's assessment of tax related items.

The operating results for Asquith are included in the consolidated results of operations from the date of acquisition. The following table presents consolidated pro forma information as if the acquisition of Asquith had occurred on January 1, 2015 (in thousands):

	Pro forma (Unaudited) Six Months Ended June 30, 2016
Revenue	\$ 835,639
Net income	\$ 54,758

The unaudited pro forma results reflect certain adjustments related to the acquisition, such as increased amortization expense related to the acquired intangible assets as well as financing costs.

Asquith contributed total revenue of \$45.8 million in the six months ended June 30, 2017. The Company has determined that the presentation of net income, from the date of acquisition, is impracticable due to the integration of the operations upon acquisition.

Other 2016 Acquisitions

During the year ended December 31, 2016, the Company also acquired four centers in the United States and eight centers in the United Kingdom in four separate business acquisitions, which were each accounted for as business combinations. The centers were acquired for cash consideration of \$18.1 million and contingent consideration of \$1.1 million. The Company recorded goodwill of \$17.0 million related to the full service center-based care segment, a portion of which will be deductible for tax purposes. In addition, the Company recorded intangible assets of \$3.4 million, consisting primarily of customer relationships that will be amortized over five years, and a working capital deficit of \$1.8 million, including cash of \$0.3 million, were also recorded in relation to these acquisitions.

During the year ended December 31, 2016, the Company acquired all of the outstanding shares of a provider of back-up care in the United States, which was accounted for as a business combination. The business was acquired for cash consideration of \$10.4 million and contingent consideration of \$3.8 million. The Company recorded goodwill of \$9.2 million related to the back-up care segment, which will not be deductible for tax purposes. In addition, the Company recorded

intangible assets of \$4.9 million, consisting primarily of the provider network that will be amortized over five years, technology of \$2.6 million, and working capital of \$0.4 million, including cash of \$0.3 million, in relation to this acquisition.

The allocation of purchase price consideration is based on preliminary estimates of fair value; such estimates and assumptions are subject to change within the measurement period (up to one year from the acquisition date). As of June 30, 2017, the purchase price allocations for four of the 2016 acquisitions remain open as the Company gathers additional information regarding the assets acquired and the liabilities assumed. The operating results for the acquired businesses are included in the consolidated results of operations from the dates of acquisition, which were not material to the Company's financial results.

3. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the year ended December 31, 2016 and the six months ended June 30, 2017 are as follows (in thousands):

	Full service center-based care	Back-up dependent care	Other educational advisory services	Total
Balance at January 1, 2016	\$ 965,114	\$ 158,894	\$ 23,801	\$ 1,147,809
Additions from acquisitions	139,539	9,214	—	148,753
Adjustments to prior year acquisitions	73	—	—	73
Effect of foreign currency translation	(28,930)	—	—	(28,930)
Balance at December 31, 2016	1,075,796	168,108	23,801	1,267,705
Additions from acquisitions	12,472	—	—	12,472
Adjustments to prior year acquisitions	456	(3)	—	453
Effect of foreign currency translation	18,046	—	—	18,046
Balance at June 30, 2017	\$ 1,106,770	\$ 168,105	\$ 23,801	\$ 1,298,676

The Company also has intangible assets, which consist of the following at June 30, 2017 and December 31, 2016 (in thousands):

June 30, 2017	Weighted average amortization period	Cost	Accumulated amortization	Net carrying amount
Definite-lived intangibles:				
Customer relationships	14 years	\$ 398,642	\$ (222,204)	\$ 176,438
Trade names	7 years	9,918	(3,767)	6,151
Non-compete agreements	N/A	49	(49)	—
		408,609	(226,020)	182,589
Indefinite-lived intangibles:				
Trade names	N/A	180,934	—	180,934
		\$ 589,543	\$ (226,020)	\$ 363,523
December 31, 2016	Weighted average amortization period	Cost	Accumulated amortization	Net carrying amount
Definite-lived intangibles:				
Customer relationships	15 years	\$ 392,820	\$ (205,342)	\$ 187,478
Trade names	7 years	8,283	(2,961)	5,322
Non-compete agreements	N/A	49	(49)	—
		401,152	(208,352)	192,800
Indefinite-lived intangibles:				
Trade names	N/A	181,766	—	181,766
		\$ 582,918	\$ (208,352)	\$ 374,566

The Company estimates that it will record amortization expense related to intangible assets existing as of June 30, 2017 as follows over the next five years (in thousands):

	Estimated amortization expense
Remainder of 2017	\$ 16,722
2018	\$ 29,538
2019	\$ 27,292
2020	\$ 26,466
2021	\$ 25,030

4. CREDIT ARRANGEMENTS AND DEBT OBLIGATIONS

The Company's \$1.3 billion senior secured credit facilities consist of \$1.1 billion in a secured term loan facility and a \$225 million revolving credit facility. The term loans mature on November 7, 2023 and require quarterly principal payments of \$2.7 million, with the remaining principal balance due on November 7, 2023.

Outstanding term loan borrowings were as follows at June 30, 2017 and December 31, 2016 (in thousands):

	June 30, 2017	December 31, 2016
Term loans	\$ 1,072,313	\$ 1,075,000
Deferred financing costs and original issue discount	(10,674)	(10,241)
Total debt	1,061,639	1,064,759
Less current maturities	10,750	10,750
Long-term debt	\$ 1,050,889	\$ 1,054,009

The revolving credit facility matures on July 31, 2022. Borrowings outstanding on the revolving credit facility were \$67.0 million at June 30, 2017 and \$76.0 million at December 31, 2016.

All borrowings under the credit agreement are subject to variable interest. Borrowings under the term loan facility bear interest at a rate per annum of 1.25% over the base rate, or 2.25% over the Eurocurrency rate (each as defined in the credit agreement), which is the one, two, three or six month LIBOR rate or, with applicable lender approval, the twelve month or less than one month LIBOR rate. With respect to the term loan facility, the base rate is subject to an interest rate floor of 1.75% and the Eurocurrency rate is subject to an interest rate floor of 0.75%. Borrowings under the revolving credit facility bear interest at a rate per annum ranging from 0.75% to 1.25% over the base rate, or 1.75% to 2.25% over the Eurocurrency rate.

Prior to an amendment to the credit agreement on May 8, 2017, borrowings under the term loan facility bore interest at a rate per annum ranging from 1.5% to 1.75% over the base rate, or 2.5% to 2.75% over the Eurocurrency rate. With respect to the term loan facility, the base rate was subject to an interest rate floor of 1.75% and the Eurocurrency rate was subject to an interest rate floor of 0.75%. Borrowings under the revolving credit facility bore interest at a rate per annum ranging from 1.25% to 1.75% over the base rate, or 2.25% to 2.75% over the Eurocurrency rate.

The effective interest rate for the term loans was 3.5% at June 30, 2017 and December 31, 2016, and the weighted average interest rate was 3.5% and 4.0% for the six months ended June 30, 2017 and 2016, respectively. The effective interest rate for the revolving credit facility was 3.5% and 5.5% at June 30, 2017 and December 31, 2016, respectively. The weighted average interest rate for the revolving credit facility was 4.3% and 4.8% for the six months ended June 30, 2017 and 2016, respectively.

Certain financing fees and original issue discount costs are capitalized and are being amortized over the terms of the related debt instruments and amortization expense is included in interest expense. Amortization expense of deferred financing costs were \$0.3 million and \$0.6 million for the three months ended June 30, 2017 and 2016, respectively, and were \$0.7 million and \$1.2 million for the six months ended June 30, 2017 and 2016, respectively. Amortization expense of original issuance discount costs were \$0.1 million and \$0.4 million for the three months ended June 30, 2017 and 2016, respectively, and were \$0.2 million and \$0.7 million for the six months ended June 30, 2017 and 2016, respectively.

On January 26, 2016, the Company amended its then existing credit agreement to increase the revolving credit facility from \$100.0 million to \$225.0 million, to extend the maturity date on the revolving credit facility from January 30, 2018 to July 31, 2019, and to modify the interest rate applicable to borrowings.

On November 7, 2016, the Company modified its then existing senior credit facilities and refinanced all of its outstanding term loans into a new seven year term loan facility, which resulted in the issuance of \$1.1 billion in new term loans, a portion of which were used to repay \$922.5 million in outstanding term loans under the previous term loan facility, and \$150.0 million of which was used to fund the acquisition of a business. The terms, interest rate and availability of the revolving credit facility were not modified in the November 2016 debt refinancing.

On May 8, 2017, the Company amended its existing senior credit facilities to, among other changes, reduce the applicable interest rates of the term loan facility and the revolving credit facility. The Company also extended the maturity date on the revolving credit facility from July 31, 2019 to July 31, 2022. The amended term loan facility continues to have a maturity date of November 7, 2023.

The future principal payments under the term loans at June 30, 2017 are as follows (in thousands):

Remainder of 2017	\$	5,375
2018		10,750
2019		10,750
2020		10,750
2021		10,750
Thereafter		1,023,938
	\$	<u>1,072,313</u>

5. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income by the weighted-average common shares outstanding. Diluted earnings per share is calculated by dividing net income by the weighted-average common shares and potentially dilutive securities outstanding during the period.

Earnings per share is calculated using the two-class method, which requires the allocation of earnings to each class of common stock outstanding and to unvested stock-based payment awards that participate equally in dividends with common stock, also referred to herein as unvested participating shares.

The Company's unvested stock-based payment awards include unvested shares awarded as restricted stock awards at the discretion of the Company's board of directors. The restricted stock awards generally vest at the end of three years.

Earnings per Share - Basic

The following table sets forth the computation of earnings per share using the two-class method (in thousands, except share and per share amounts):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Basic earnings per share:				
Net income	\$ 33,040	\$ 30,403	\$ 74,414	\$ 55,130
Allocation of net income to common stockholders:				
Common stock	\$ 32,828	\$ 30,131	\$ 73,979	\$ 54,648
Unvested participating shares	212	272	435	482
	<u>\$ 33,040</u>	<u>\$ 30,403</u>	<u>\$ 74,414</u>	<u>\$ 55,130</u>
Weighted average number of common shares:				
Common stock	59,053,200	59,219,142	59,154,153	59,525,655
Unvested participating shares	380,530	535,388	351,108	523,933
Earnings per share:				
Common stock	<u>\$ 0.56</u>	<u>\$ 0.51</u>	<u>\$ 1.25</u>	<u>\$ 0.92</u>

Earnings per Share - Diluted

The Company calculates diluted earnings per share for common stock using the more dilutive of the treasury stock method or the two-class method. The following table sets forth the computation of diluted earnings per share using the two-class method (in thousands, except share and per share amounts):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Diluted earnings per share:				
Earnings allocated to common stock	\$ 32,828	\$ 30,131	\$ 73,979	\$ 54,648
Plus earnings allocated to unvested participating shares	212	272	435	482
Less adjusted earnings allocated to unvested participating shares	(207)	(266)	(424)	(471)
Earnings allocated to common stock	<u>\$ 32,833</u>	<u>\$ 30,137</u>	<u>\$ 73,990</u>	<u>\$ 54,659</u>
Weighted average number of common shares:				
Common stock	59,053,200	59,219,142	59,154,153	59,525,655
Effect of dilutive securities	1,326,457	1,416,099	1,487,315	1,442,170
	<u>60,379,657</u>	<u>60,635,241</u>	<u>60,641,468</u>	<u>60,967,825</u>
Earnings per share:				
Common stock	<u>\$ 0.54</u>	<u>\$ 0.50</u>	<u>\$ 1.22</u>	<u>\$ 0.90</u>

Options outstanding to purchase 0.7 million and 0.8 million shares of common stock were excluded from diluted earnings per share for the three and six months ended June 30, 2017, respectively, and 0.5 million shares were excluded from both the three and six months ended June 30, 2016, since their effect was anti-dilutive. These options may become dilutive in the future.

6. INCOME TAXES

The Company's effective income tax rates were 28.4% and 34.3% for the three months ended June 30, 2017 and 2016, respectively, and 14.3% and 34.5% for the six months ended June 30, 2017 and 2016, respectively. The effective income tax rate is based upon estimated income before income taxes for the year, by jurisdiction, and estimated permanent tax adjustments. The effective income tax rate may fluctuate from quarter to quarter for various reasons, including discrete items such as settlement of foreign, Federal and State tax issues and, beginning January 1, 2017, for the effects of including the excess tax benefits associated with the exercise of stock options and vesting of restricted stock as a reduction of tax expense, in accordance with ASU 2016-09: *Compensation-Stock Compensation (Topic 718)*, which was adopted prospectively as of January 1, 2017 (see Note 1). During the three and six months ended June 30, 2017, the excess tax benefit decreased tax expense by \$3.4 million and \$18.5 million, respectively. The effective income tax rate would have approximated 36% in the three and six months ended June 30, 2017, prior to the inclusion of the excess tax benefit from stock compensation related to the new accounting guidance.

The Company's unrecognized tax benefits were \$1.5 million and \$1.1 million at June 30, 2017 and December 31, 2016, respectively. There were no interest and penalties related to unrecognized tax benefits at June 30, 2017 and December 31, 2016.

The Company expects the unrecognized tax benefits to change over the next twelve months if certain tax matters settle with the applicable taxing jurisdiction during this time frame, or, if the applicable statutes of limitations lapse. The impact of the amount of such changes to previously recorded uncertain tax positions could range from zero to \$1.5 million, exclusive of interest and penalties.

The Company and its domestic subsidiaries are subject to audit for U.S. Federal income tax as well as multiple state jurisdictions. U.S. Federal income tax returns are typically subject to examination by the Internal Revenue Service (IRS) and have a statute of limitations of three years; therefore, tax filings for 2013 through 2016 are subject to audit.

State income tax returns are generally subject to examination for a period of three to five years after filing of the respective return. The state impact of any Federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. As of June 30, 2017, there were no audits in process and the tax years from 2012 to 2016 are subject to audit.

The Company is also subject to corporate income tax at its subsidiaries located in the United Kingdom, the Netherlands, India, Canada, Ireland, and Puerto Rico. The tax returns for the Company's subsidiaries located in foreign jurisdictions are subject to examination for periods ranging from one to seven years.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company defines fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date and applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy gives the highest priority to observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The Company uses observable inputs where relevant and whenever possible.

Level 1—Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, borrowings on the revolving credit facility, and long-term debt. The fair value of the Company's financial instruments, other than long-term debt, approximates their carrying value.

The carrying value and estimated fair value of the Company's long-term debt as of June 30, 2017 and December 31, 2016 were as follows (in thousands):

Financial liabilities	June 30, 2017		December 31, 2016	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Term loans	\$ 1,072,313	\$ 1,076,300	\$ 1,075,000	\$ 1,084,400

The estimated fair value of the Company's long-term debt is based on current bid prices for our term loans. As such, our long-term debt is classified as Level 1, as defined under U.S. GAAP.

Financial instruments that potentially expose the Company to concentrations of credit risk consist mainly of cash and cash equivalents and accounts receivable. The Company mitigates its exposure by maintaining its cash and cash equivalents in financial institutions of high credit standing. The Company's accounts receivable, which are derived primarily from the services it provides, are dispersed across many clients in various industries with no single client accounting for more than 10% of the Company's net revenue or accounts receivable. The Company believes that no significant credit risk exists at June 30, 2017.

8. SEGMENT INFORMATION

Bright Horizons' workplace services are comprised of full service center-based child care, back-up dependent care, and other educational advisory services. Full service center-based care includes the traditional center-based child care, preschool, and elementary education, which have similar operating characteristics and meet the criteria for aggregation. Full service center-based care derives its revenues primarily from contractual arrangements with corporate clients and from tuition. The Company's back-up dependent care services consist of center-based back-up child care, in-home care, mildly ill care, and adult/elder care. The Company's other educational advisory services consist of college preparation and admissions counseling, tuition reimbursement program management, and related consulting services, which have similar operating characteristics and meet the criteria for aggregation. The Company and its chief operating decision makers evaluate performance based on revenues and income from operations.

The assets and liabilities of the Company are managed centrally and are reported internally in the same manner as the consolidated financial statements; therefore, no additional information is produced or included herein.

	Full service center-based care	Back-up dependent care	Other educational advisory services	Total
(In thousands)				
Three months ended June 30, 2017				
Revenue	\$ 378,058	\$ 53,678	\$ 13,810	\$ 445,546
Amortization of intangible assets	8,062	385	219	8,666
Income from operations (1)	39,754	14,247	2,805	56,806
Three months ended June 30, 2016				
Revenue	\$ 343,485	\$ 47,649	\$ 10,919	\$ 402,053
Amortization of intangible assets	6,724	181	144	7,049
Income from operations (2)	40,586	14,352	1,640	56,578

(1) For the three months ended June 30, 2017, income from operations includes \$1.9 million of expenses related to the May 2017 amendment to the credit agreement and a secondary offering, which have been allocated to the full service center-based care segment.

(2) For the three months ended June 30, 2016, income from operations includes \$0.4 million of expenses related to a secondary offering, which have been allocated to the full service center-based care segment.

	Full service center-based care	Back-up dependent care	Other educational advisory services	Total
(In thousands)				
Six months ended June 30, 2017				
Revenue	\$ 736,817	\$ 104,086	\$ 26,807	\$ 867,710
Amortization of intangibles	14,880	769	401	16,050
Income from operations (1)	75,179	27,908	5,123	108,210
Six months ended June 30, 2016				
Revenue	\$ 672,312	\$ 92,780	\$ 22,283	\$ 787,375
Amortization of intangibles	13,547	362	288	14,197
Income from operations (2)	73,477	27,558	4,140	105,175

(1) For the six months ended June 30, 2017, income from operations includes \$1.9 million of expenses related to the May 2017 amendment to the credit agreement and a secondary offering, which have been allocated to the full service center-based care segment.

(2) For the six months ended June 30, 2016, income from operations includes \$0.6 million of expenses related to the January 2016 amendment to the credit agreement, completed acquisitions and a secondary offering, which have been allocated to the full service center-based care segment.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). The following cautionary statements are being made pursuant to the provisions of the Act and with the intention of obtaining the benefits of the "safe harbor" provisions of the Act. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "expects," "may," "will," "should," "seeks," "projects," "approximately," "intends," "plans," "estimates" or "anticipates," or, in each case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Quarterly Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies, the industries in which we and our partners operate, demand for services, the impact of accounting principles, pronouncements and policies, acquisitions and the subsequent integration and expected synergies, our fair value estimates, goodwill from business combinations, the vesting of Company equity, unrecognized tax benefits and the impact of uncertain tax positions, our effective tax rate, the outcome of tax audits, settlements and tax liabilities, future impact of excess tax benefit, amortization expense, foreign currency exchange rates, our credit risk, the impact of seasonality on results of operations, our share repurchase program, the outcome of litigation, legal proceedings and our insurance coverage, use of derivatives or other instruments, our indebtedness, borrowings under our senior credit facility, the need for additional debt or equity financings and our ability to obtain such financing, our sources of cash flow, our ability to fund operations, make capital expenditures and payments, and complete share repurchases with cash and cash equivalents and borrowings, and our ability to meet financial obligations and comply with covenants of our senior credit facility.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and other factors disclosed from time to time in our other filings with the Securities and Exchange Commission.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Quarterly Report. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Quarterly Report, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement that we make in this Quarterly Report speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments, except as required by law.

Introduction and Overview

The following is a discussion of the significant factors affecting the consolidated operating results, financial condition and liquidity and cash flows of Bright Horizons Family Solutions Inc. ("we" or the "Company") for the three and six months ended June 30, 2017 compared to the three and six months ended June 30, 2016. This discussion should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, and the Consolidated Financial Statements of the Company and Notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Our business is subject to seasonal and quarterly fluctuations. Demand for child care and early education and elementary school services has historically decreased during the summer months when school is not in session, at which time families are often on vacation or have alternative child care arrangements. In addition, our enrollment declines as older children transition to elementary schools. Demand for our services generally increases in September and October coinciding with the beginning of the new school year and remains relatively stable throughout the rest of the school year. In addition, use of our back-up dependent care services tends to be higher when schools are not in session and during holiday periods, which can increase the operating costs of the program and impact the results of operations. Results of operations may also fluctuate from quarter to quarter as a result of, among other things, the performance of existing centers, including enrollment and staffing fluctuations, the number and timing of new center openings, acquisitions and management transitions, the length of time required for new centers to achieve profitability, center closings, refurbishment or relocation, the contract model mix (profit and

loss versus cost-plus) of new and existing centers, the timing and level of sponsorship payments, competitive factors and general economic conditions.

Results of Operations

The following table sets forth statement of income data as a percentage of revenue for the three months ended June 30, 2017 and 2016 (in thousands, except percentages):

	Three Months Ended June 30,			
	2017	%	2016	%
Revenue	\$ 445,546	100.0 %	\$ 402,053	100.0 %
Cost of services (1)	331,205	74.3 %	297,670	74.0 %
Gross profit	114,341	25.7 %	104,383	26.0 %
Selling, general and administrative expenses (2)	48,869	11.0 %	40,756	10.1 %
Amortization of intangible assets	8,666	2.0 %	7,049	1.8 %
Income from operations	56,806	12.7 %	56,578	14.1 %
Interest expense, net	(10,654)	(2.4)%	(10,304)	(2.6)%
Income before income tax	46,152	10.3 %	46,274	11.5 %
Income tax expense	(13,112)	(2.9)%	(15,871)	(3.9)%
Net income	\$ 33,040	7.4 %	\$ 30,403	7.6 %
Adjusted EBITDA (3)	\$ 86,508	19.4 %	\$ 80,802	20.1 %
Adjusted income from operations (3)	\$ 58,751	13.2 %	\$ 56,982	14.2 %
Adjusted net income (3)	\$ 44,497	10.0 %	\$ 36,904	9.2 %

The following table sets forth statement of income data as a percentage of revenue for the six months ended June 30, 2017 and 2016 (in thousands, except percentages):

	Six Months Ended June 30,			
	2017	%	2016	%
Revenue	\$ 867,710	100.0 %	\$ 787,375	100.0 %
Cost of services (1)	648,435	74.7 %	587,216	74.6 %
Gross profit	219,275	25.3 %	200,159	25.4 %
Selling, general and administrative expenses (2)	95,015	11.0 %	80,787	10.3 %
Amortization of intangible assets	16,050	1.8 %	14,197	1.8 %
Income from operations	108,210	12.5 %	105,175	13.3 %
Interest expense, net	(21,428)	(2.5)%	(20,988)	(2.7)%
Income before income tax	86,782	10.0 %	84,187	10.6%
Income tax expense	(12,368)	(1.4)%	(29,057)	(3.7)%
Net income	\$ 74,414	8.6 %	\$ 55,130	6.9%
Adjusted EBITDA (3)	\$ 164,856	19.0 %	\$ 153,152	19.5 %
Adjusted income from operations (3)	\$ 110,155	12.7 %	\$ 105,785	13.4 %
Adjusted net income (3)	\$ 81,401	9.4 %	\$ 68,016	8.6 %

- (1) Cost of services consists of direct expenses associated with the operation of child care centers, and direct expenses to provide back-up dependent care services, including fees to back-up care providers, and educational advisory services. Direct expenses consist primarily of salaries, payroll taxes and benefits for personnel, food costs, program supplies and materials, and parent marketing and facilities costs, which include occupancy costs and depreciation.
- (2) Selling, general and administrative ("SGA") expenses consist primarily of salaries, payroll taxes and benefits (including stock-based compensation costs) for corporate, regional and business development personnel. Other overhead costs include information technology, occupancy costs for corporate and regional personnel, professional services fees, including accounting and legal services, and other general corporate expenses.

- (3) Adjusted EBITDA, adjusted income from operations and adjusted net income are non-GAAP measures, which are reconciled to net income below under “Non-GAAP Financial Measures and Reconciliation.”

Three Months Ended June 30, 2017 Compared to the Three Months Ended June 30, 2016

Revenue. Revenue increased \$43.5 million, or 11%, to \$445.5 million for the three months ended June 30, 2017 from \$402.1 million for the same period in 2016. Revenue growth is primarily attributable to contributions from new and ramping child care and early education centers, expanded sales of our back-up dependent care services and other educational advisory services, and typical annual tuition increases of 3-4%. Revenue generated by the full service center-based care segment in the three months ended June 30, 2017, increased by \$34.6 million, or 10%, when compared to the same period in 2016, due in part to overall enrollment increases of approximately 13%, partially offset by the effect of lower foreign currency exchange rates for our United Kingdom operations which reduced revenue growth in the full service segment by approximately 2% during the quarter. Our acquisition of Conchord Limited (“Asquith”), an operator of 90 centers and programs in the United Kingdom on November 10, 2016, contributed approximately \$24.0 million of incremental revenue in the three months ended June 30, 2017.

At June 30, 2017, we operated 1,047 child care and early education centers, an increase of 12%, when compared to 935 centers at June 30, 2016.

Revenue generated by back-up dependent care services in the three months ended June 30, 2017 increased by \$6.0 million, or 13%, when compared to the same period in 2016. Additionally, revenue generated by other educational advisory services in the three months ended June 30, 2017 increased by \$2.9 million, or 26%, when compared to the same period in 2016.

Cost of Services. Cost of services increased \$33.5 million, or 11%, to \$331.2 million for the three months ended June 30, 2017 from \$297.7 million for the same period in 2016. Cost of services in the full service center-based care segment increased \$27.3 million, or 10%, to \$291.9 million in the three months ended June 30, 2017 when compared to the same period in 2016. Personnel costs, which typically represent approximately 70% of total cost of services for this segment, increased 9% when compared to the same period in 2016 as a result of enrollment growth at new and existing centers, routine wage and benefit cost increases, and labor costs associated with centers we have added since June 30, 2016 that are in the ramping stage. In addition, program supplies, materials, food and facilities costs, which typically represent approximately 30% of total costs of services for this segment, increased 15% in connection with the enrollment growth, certain technology investments in program supplies and services, and the incremental occupancy costs associated with centers that have been added since June 30, 2016. Cost of services in the back-up dependent care segment increased \$5.2 million, or 19%, to \$32.3 million in the three months ended June 30, 2017, primarily for investments in information technology and personnel, and increased care provider fees associated with the services provided to the expanding revenue base. Cost of services in the other educational advisory services segment increased \$1.1 million, or 19%, to \$7.0 million in the three months ended June 30, 2017 due to personnel and technology costs related to the incremental sales of these services.

Gross Profit. Gross profit increased \$10.0 million, or 10%, to \$114.3 million for the three months ended June 30, 2017 from \$104.4 million for the same period in 2016. Gross profit margin as a percentage of revenue was 26% for the three months ended June 30, 2017, which is consistent with the three months ended June 30, 2016. The increase in gross profit is primarily due to contributions from new and acquired centers, increased enrollment in our mature and ramping profit and loss centers, effective operating cost management, and expanded back-up dependent care and other educational advisory services.

Selling, General and Administrative Expenses (“SGA”). SGA increased \$8.1 million, or 20%, to \$48.9 million for the three months ended June 30, 2017 compared to \$40.8 million for the same period in 2016, and was 11% of revenue for the three months ended June 30, 2017, which represents an increase from 10% in the same period in 2016. Results for the three months ended June 30, 2017, included \$1.9 million of costs associated with the May 2017 credit agreement amendment and a secondary offering compared to \$0.4 million of costs associated with a secondary offering included in the three months ended June 30, 2016. After taking these charges into account, SGA increased over the comparable 2016 period due to increases in personnel costs including annual wage increases, continued investments in technology, and costs associated with the addition and integration of the Asquith child care centers, which were acquired in the fourth quarter of 2016.

Amortization. Amortization expense on intangible assets of \$8.7 million for the three months ended June 30, 2017 increased from \$7.0 million for the same period in 2016 due to the acquisitions completed in 2016 and 2017, partially offset by decreases from certain intangible assets becoming fully amortized during the period.

Income from Operations. Income from operations increased by \$0.2 million, to \$56.8 million for the three months ended June 30, 2017 when compared to the same period in 2016. Income from operations was 13% of revenue for the three months ended June 30, 2017, which is a decrease from 14% in the three months ended June 30, 2016. The change in income from operations was due to the following:

- Income from operations for the full service center-based care segment decreased \$0.8 million, or 2%, in the three months ended June 30, 2017 when compared to the same period in 2016. Results for the three months ended June 30, 2017, included \$1.9 million of costs associated with the May 2017 credit agreement amendment and a secondary offering compared to \$0.4 million of costs associated with a secondary offering included in the three months ended June 30, 2016. After taking these charges into account, income from operations increased \$0.7 million, or 2%, over the comparable period due to tuition increases and enrollment gains over the prior year, contributions from new centers that have been added since June 30, 2016, and effective cost management, partially offset by the effect of lower foreign currency exchange rates for our United Kingdom operations which reduced income from operations by approximately 2%, the costs incurred during the ramp-up of certain new lease/consortium centers opened during 2016 and 2017, and incremental costs associated with technology investments in our centers and the amortization expense for intangible assets acquired in business combinations.
- Income from operations for the back-up dependent care segment decreased \$0.1 million, or 1%, in the three months ended June 30, 2017 when compared to the same period in 2016 due to investments in information technology and personnel, partially offset by contributions from the expanding revenue base.
- Income from operations in the other educational advisory services segment increased \$1.2 million, or 71%, for the three months ended June 30, 2017 compared to the same period in 2016 due to contributions from the expanding revenue base.

Net Interest Expense and Other. Net interest expense and other increased to \$10.7 million for the three months ended June 30, 2017 from \$10.3 million for the same period in 2016. The increase in interest expense relates to the increase in debt from the issuance of \$150.0 million in additional term loans in conjunction with the November 2016 debt refinancing, partially offset by a decrease in the effective interest rates applicable in conjunction with the May 2017 credit agreement amendment.

Income Tax Expense. We recorded income tax expense of \$13.1 million during the three months ended June 30, 2017 compared to income tax expense of \$15.9 million during the comparable period in 2016 at an effective tax rate of 28% for the three months ended June 30, 2017 and of 34% for the three months ended June 30, 2016. The difference between the effective income tax rates is primarily attributable to the excess tax benefits associated with the exercise of stock options which decreased tax expense by \$3.4 million in 2017 due to the adoption of ASU 2016-09: *Compensation - Stock Compensation (Topic 718)* (“ASU 2016-09”) effective January 1, 2017. The tax benefit from stock compensation was recorded to the balance sheet in the prior year. The effective income tax rate would have approximated 36% for the three months ended June 30, 2017 prior to the inclusion of the excess tax benefit from stock compensation related to the new accounting guidance. The Company expects the excess tax benefit to approximate \$3.0 million to \$4.0 million for the remainder of 2017.

Adjusted EBITDA and Adjusted Income from Operations. Adjusted EBITDA and adjusted income from operations increased \$5.7 million, or 7%, and \$1.8 million, or 3%, respectively, for the three months ended June 30, 2017 over the same period in 2016 primarily as a result of the increase in gross profit due to additional contributions from full-service centers, including the impact of new and acquired centers, as well as the growth in back-up dependent care and other educational advisory services.

Adjusted Net Income. Adjusted net income increased \$7.6 million, or 21%, for the three months ended June 30, 2017 when compared to the same period in 2016 primarily due to the incremental gross profit described above and the reduction to adjusted income tax expense in 2017 associated with the adoption of ASC 2016-09.

Six Months Ended June 30, 2017 Compared to the Six Months Ended June 30, 2016

Revenue. Revenue increased \$80.3 million, or 10%, to \$867.7 million for the six months ended June 30, 2017 from \$787.4 million for the same period in 2016. Revenue growth is primarily attributable to contributions from new and ramping child care and early education centers, expanded sales of our back-up dependent care services and other educational advisory services, and typical annual tuition increases of 3-4%. Revenue generated by the full service center-based care segment in the six months ended June 30, 2017 increased by \$64.5 million, or 10%, when compared to the same period in 2016, due in part to overall enrollment increases of 13%, partially offset by the effect of lower foreign exchange rates for our United Kingdom operations which reduced revenue growth in the full service segment by approximately 2% for the six month period. Our acquisition of Asquith contributed approximately \$45.8 million of incremental revenue in the six months ended June 30, 2017.

Revenue generated by back-up dependent care services in the six months ended June 30, 2017 increased by \$11.3 million, or 12%, when compared to the same period in 2016. Additionally, revenue generated by other educational advisory services in the six months ended June 30, 2017 increased by \$4.5 million, or 20%, when compared to the same period in 2016.

Cost of Services. Cost of services increased \$61.2 million, or 10%, to \$648.4 million for the six months ended June 30, 2017 from \$587.2 million for the same period in 2016. Cost of services in the full service center-based care segment increased \$50.1 million, or 10%, to \$572.9 million in the six months ended June 30, 2017 when compared to the same period in 2016. Personnel costs increased 8% when compared to the same period in 2016 as a result of enrollment growth at new and existing centers, routine wage and benefit cost increases, and labor costs associated with centers we have added since June 30, 2016 that are in the ramping stage. In addition, program supplies, materials, food and facilities costs increased 13% in connection with the enrollment growth, certain technology investments in program supplies and services, and the incremental occupancy costs associated with centers that have been added since June 30, 2016. Cost of services in the back-up dependent care segment increased \$9.1 million, or 17%, to \$62.0 million in the six months ended June 30, 2017, primarily for investments in information technology and personnel, and increased care provider fees associated with the services provided to the expanding revenue base. Cost of services in the other educational advisory services segment increased by \$2.0 million, or 18%, to \$13.6 million in the six months ended June 30, 2017 due to personnel and technology costs related to the incremental sales of these services.

Gross Profit. Gross profit increased \$19.1 million, or 10%, to \$219.3 million for the six months ended June 30, 2017 from \$200.2 million for the same period in 2016. Gross profit margin as a percentage of revenue was 25% for the six months ended June 30, 2017, which is consistent with the six months ended June 30, 2016. The increase in gross profit is primarily due to contributions from new and acquired centers, increased enrollment in our mature and ramping profit and loss centers, effective operating cost management, and expanded back-up dependent care and other educational advisory services.

Selling, General and Administrative Expenses. SGA increased \$14.2 million, or 18%, to \$95.0 million for the six months ended June 30, 2017 compared to \$80.8 million for the same period in 2016, and was 11% of revenue for the six months ended June 30, 2017, which represents an increase from 10% in the same period in 2016. Results for the six months ended June 30, 2017 included \$1.9 million of costs associated with the May 2017 credit agreement amendment and a secondary offering compared to \$0.6 million of costs related to the January 2016 credit agreement amendment, a secondary offering and completed acquisitions included in the six months ended June 30, 2016. After taking these charges into account, SGA increased over the comparable 2016 period due to increases in personnel costs including annual wage increases, continued investments in technology and costs associated with the addition and integration of the Asquith child care centers, which were acquired in the fourth quarter of 2016.

Amortization. Amortization expense on intangible assets of \$16.1 million for the six months ended June 30, 2017, increased from \$14.2 million for the six months ended June 30, 2016 due to the acquisitions completed in 2016 and 2017, partially offset by decreases from certain intangibles becoming fully amortized during the period.

Income from Operations. Income from operations increased by \$3.0 million, or 3%, to \$108.2 million for the six months ended June 30, 2017 when compared to the same period in 2016. Income from operations was 13% of revenue for the six months ended June 30, 2017, which is consistent with the six months ended June 30, 2016. The increase in income from operations was due to the following:

- Income from operations for the full service center-based care segment increased \$1.7 million, or 2%, in the six months ended June 30, 2017 when compared to the same period in 2016. Results for the six months ended June 30, 2017 included \$1.9 million of costs associated with the May 2017 credit agreement amendment and a secondary offering compared to \$0.6 million of costs related to the January 2016 credit agreement amendment, a secondary offering and completed acquisitions included in the six months ended June 30, 2016. After taking these charges into account, income from operations increased \$3.0 million, or 4%, over the comparable 2016 period due to tuition increases and enrollment gains over the prior year as well as contributions from new centers that have been added since June 30, 2016, and effective cost management, partially offset by the effect of lower foreign currency exchange rates for our United Kingdom operations which reduced income from operations by approximately 2%, the costs incurred during the ramp-up of certain new lease/consortium centers opened during 2016 and 2017, and incremental costs associated with technology investments in our centers and the amortization expense for intangible assets acquired in business combinations.
- Income from operations for the back-up dependent care segment increased \$0.4 million, or 1%, in the six months ended June 30, 2017 when compared to the same period in 2016 due to contributions from the expanding revenue base partially offset by investments in information technology and personnel, and increased care provider fees associated with the incremental revenue.

- Income from operations in the other educational advisory services segment increased \$1.0 million, or 24%, for the six months ended June 30, 2017 when compared to the same period in 2016 due to contributions from the expanding revenue base.

Net Interest Expense and Other. Net interest expense and other increased to \$21.4 million for the six months ended June 30, 2017 from \$21.0 million for the same period in 2016. The increase in interest expense relates to the increase in debt from the issuance of \$150.0 million in additional term loans in conjunction with the November 2016 debt refinancing, partially offset by a decrease in the effective interest rates applicable in conjunction with the May 2017 credit agreement amendment.

Income Tax Expense. We recorded income tax expense of \$12.4 million during the six months ended June 30, 2017 compared to income tax expense of \$29.1 million during the comparable period in 2016 at an effective income tax rate of 14% for the six months ended June 30, 2017 and of 35% for the six months ended June 30, 2016. The difference between the effective income tax rates is primarily attributable to the excess tax benefits associated with the exercise of stock options which decreased tax expense by \$18.5 million in 2017 due to the adoption of ASU 2016-09. The effective income tax rate would have approximated 36% for the six months ended June 30, 2017 prior to the inclusion of the excess tax benefit from stock compensation related to the new accounting guidance. We expect the annual effective income tax rate in 2017 to approximate 23% to 25%, depending on the timing and amounts of excess tax benefits from stock compensation that are ultimately realized.

Adjusted EBITDA and Adjusted Income from Operations. Adjusted EBITDA and adjusted income from operations increased \$11.7 million, or 8%, and \$4.4 million, or 4% respectively, for the six months ended June 30, 2017 over the comparable period in 2016 primarily as a result of the increase in gross profit due to additional contributions from full-service centers, including the impact of new and acquired centers, as well as the growth in back-up dependent care and other educational advisory services.

Adjusted Net Income. Adjusted net income increased \$13.4 million, or 20%, for the six months ended June 30, 2017 when compared to the same period in 2016 primarily due to the incremental gross profit described above and the reduction to adjusted income tax expense in 2017 associated with the adoption of ASU 2016-09.

Non-GAAP Financial Measures and Reconciliation

In our quarterly and annual reports, earnings press releases and conference calls, we discuss key financial measures that are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP” or “U.S. GAAP”) to supplement our consolidated financial statements presented on a GAAP basis. These non-GAAP financial measures are not in accordance with GAAP and a reconciliation of the non-GAAP measures of adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are as follows (in thousands, except share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	\$ 33,040	\$ 30,403	\$ 74,414	\$ 55,130
Interest expense, net	10,654	10,304	21,428	20,988
Income tax expense	13,112	15,871	12,368	29,057
Depreciation	14,524	13,517	30,554	26,894
Amortization of intangible assets (a)	8,666	7,049	16,050	14,197
EBITDA	79,996	77,144	154,814	146,266
<i>Additional Adjustments:</i>				
Deferred rent (b)	1,430	205	2,583	630
Stock-based compensation expense (c)	3,137	3,049	5,514	5,646
Expenses related to credit agreement amendments, secondary offerings and completed acquisitions (d)	1,945	404	1,945	610
Total adjustments	6,512	3,658	10,042	6,886
Adjusted EBITDA	\$ 86,508	\$ 80,802	\$ 164,856	\$ 153,152
Income from operations	\$ 56,806	\$ 56,578	\$ 108,210	\$ 105,175
Expenses related to credit agreement amendments, secondary offerings and completed acquisitions (d)	1,945	404	1,945	610
Adjusted income from operations	\$ 58,751	\$ 56,982	\$ 110,155	\$ 105,785
Net income	\$ 33,040	\$ 30,403	\$ 74,414	\$ 55,130
Income tax expense	13,112	15,871	12,368	29,057
Income before tax	46,152	46,274	86,782	84,187
Stock-based compensation expense (c)	3,137	3,049	5,514	5,646
Amortization of intangible assets (a)	8,666	7,049	16,050	14,197
Expenses related to credit agreement amendments, secondary offerings and completed acquisitions (d)	1,945	404	1,945	610
Adjusted income before tax	59,900	56,776	110,291	104,640
Adjusted income tax expense (e)	(15,403)	(19,872)	(28,890)	(36,624)
Adjusted net income	\$ 44,497	\$ 36,904	\$ 81,401	\$ 68,016
Weighted average number of common shares—diluted	60,379,657	60,635,241	60,641,468	60,967,825
Diluted adjusted earnings per common share	\$ 0.74	\$ 0.61	\$ 1.34	\$ 1.12

(a) Represents amortization of intangible assets, including approximately \$4.6 million and \$4.5 million for the three months ended June 30, 2017 and 2016, respectively, and \$9.2 million and \$9.0 million for the six months ended June 30, 2017 and 2016, respectively, associated with intangible assets recorded in connection with our going private transaction in May 2008.

(b) Represents rent expense in excess of cash paid for rent, recognized on a straight line basis over the life of the lease in accordance with Accounting Standards Codification Topic 840, *Leases*.

(c) Represents non-cash stock-based compensation expense in accordance with Accounting Standards Codification Topic 718, *Compensation-Stock Compensation*.

(d) Represents costs incurred in connection with the May 2017 and January 2016 amendments to the credit agreement, secondary offerings, and completed acquisitions.

(e) Represents income tax expense calculated on adjusted income before tax at a tax rate of approximately 26% for the three and six months ended June 30, 2017 and of approximately 35% for the three and six months ended June 30, 2016. The tax rate for 2017 represents an effective tax rate of approximately 36% applied to the expected adjusted income before tax for the full year, less the

effect of the known excess tax benefit of \$3.4 million and \$18.5 million associated with stock option exercises and vesting of restricted stock which were recorded in the three and six months ended June 30, 2017, respectively, as well as an estimate of additional excess tax benefits related to such equity transactions for the remainder of 2017, which the Company estimates in the range of \$1.5 million to \$2.0 million per quarter or a total of \$3.0 million to \$4.0 million for the remainder of the year. However, the timing, volume and tax benefits associated with such future equity activity will affect these estimates and the estimated effective tax rate for the year.

Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share (collectively referred to as the “non-GAAP financial measures”) are not presentations made in accordance with GAAP, and the use of the terms adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share may differ from similar measures reported by other companies. We believe the non-GAAP financial measures provide investors with useful information with respect to our historical operations. We present the non-GAAP financial measures as supplemental performance measures because we believe they facilitate a comparative assessment of our operating performance relative to our performance based on our results under GAAP, while isolating the effects of some items that vary from period to period. Specifically, adjusted EBITDA allows for an assessment of our operating performance and of our ability to service or incur indebtedness without the effect of non-cash charges, such as depreciation, amortization, the excess of rent expense over cash rent expense and stock-based compensation expense, as well as the expenses related to secondary offerings, debt financing transaction expenses, and acquisitions. In addition, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share allow us to assess our performance without the impact of the specifically identified items that we believe do not directly reflect our core operations. These non-GAAP financial measures also function as key performance indicators used to evaluate our operating performance internally, and they are used in connection with the determination of incentive compensation for management, including executive officers. Adjusted EBITDA is also used in connection with the determination of certain ratio requirements under our credit agreement. Adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are not measurements of our financial performance under GAAP and should not be considered in isolation or as an alternative to income before taxes, net income, diluted earnings per common share, net cash provided by operating, investing or financing activities or any other financial statement data presented as indicators of financial performance or liquidity, each as presented in accordance with GAAP. Consequently, our non-GAAP financial measures should not be evaluated in isolation or supplant comparable GAAP measures, but rather, should be considered together with our consolidated financial statements, which are prepared in accordance with GAAP and included in Part I, Item 1 of this Quarterly Report on Form 10-Q. The Company understands that although adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are frequently used by securities analysts, lenders and others in their evaluation of companies, they have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- adjusted EBITDA, adjusted income from operations and adjusted net income do not fully reflect the Company’s cash expenditures, future requirements for capital expenditures or contractual commitments;
- adjusted EBITDA, adjusted income from operations and adjusted net income do not reflect changes in, or cash requirements for, the Company’s working capital needs;
- adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future; and adjusted EBITDA, adjusted income from operations and adjusted net income do not reflect any cash requirements for such replacements.

Because of these limitations, adjusted EBITDA, adjusted income from operations and adjusted net income should not be considered as discretionary cash available to us to reinvest in the growth of our business or as measures of cash that will be available to us to meet our obligations.

Liquidity and Capital Resources

Our primary cash requirements are for the ongoing operations of our existing child care centers, back-up dependent care services and other educational advisory services, the addition of new centers through development or acquisition and debt financing obligations. Our primary sources of liquidity are our cash flows from operations and borrowings available under our \$225.0 million revolving credit facility. Borrowings outstanding on our revolving credit facility at June 30, 2017 and December 31, 2016 were \$67.0 million and \$76.0 million, respectively.

The net impact on our liquidity from changes in foreign currency exchange rates was not material for the six months ended June 30, 2017 and 2016, and the Company does not currently expect that the effects of continued potentially unfavorable changes in foreign currency exchange rates will have a material net impact on the Company’s liquidity, capital

resources or results from operations for the remainder of 2017. We had \$34.3 million in cash at June 30, 2017, of which \$33.0 million was held in foreign jurisdictions; operations outside of North America accounted for 22% of the Company's consolidated revenue for the six months ended June 30, 2017.

We had a working capital deficit of \$229.2 million and \$233.2 million at June 30, 2017 and December 31, 2016, respectively. Our working capital deficit has arisen from using cash generated from operations to make long-term investments in fixed assets and acquisitions, and from share repurchases. We anticipate that we will continue to generate positive cash flows from operating activities and that the cash generated will be used principally to fund ongoing operations of our new and existing full service child care centers and expanded operations in the back-up dependent care and other educational advisory segments, as well as to make scheduled principal and interest payments and for share repurchases.

The Company's \$1.3 billion senior secured credit facilities consist of \$1.1 billion in a secured term loan facility and a \$225.0 million revolving credit facility. In January 2016, the Company amended its existing credit agreement to increase the revolving credit facility from \$100.0 million to \$225.0 million. In November 2016, the Company modified its existing senior credit facilities and refinanced all of its outstanding term loans into a new seven year term loan facility, which resulted in the issuance of \$1.1 billion in new term loans, of which \$922.5 million was used to repay outstanding term loans under the previous term loan facility, and \$150.0 million of which was used to fund the acquisition of a business. On May 8, 2017, the Company amended its existing senior credit facilities to, among other changes, reduce the applicable interest rates of the term loan facility and the revolving credit facility and extend the maturity date on the revolving credit facility from July 31, 2019 to July 31, 2022. The Company's senior secured credit facilities are further discussed below under "Debt."

On August 2, 2016, the board of directors of the Company authorized a share repurchase program of up to \$300.0 million of the Company's outstanding common stock, effective August 5, 2016. The Company repurchased 0.9 million shares of common stock for \$73.2 million in the six months ended June 30, 2017 under this authorization, and \$209.6 million remained available at June 30, 2017. All repurchased shares have been retired. The share repurchase program, which has no expiration date, replaced the prior \$250.0 million authorization announced February 4, 2015, of which \$26.3 million remained available at the date the program was replaced.

We believe that funds provided by operations, our existing cash balances and borrowings available under our revolving credit facility will be adequate to meet planned operating and capital expenditures for at least the next 12 months under current operating conditions. However, if we were to undertake any significant acquisitions or investments in the purchase of facilities for new or existing child care and early education centers, which requires financing beyond our existing borrowing capacity, it may be necessary for us to obtain additional debt or equity financing. We may not be able to obtain such financing on reasonable terms, or at all.

Cash Flows

	Six Months Ended June 30,	
	2017	2016
	(In thousands)	
Net cash provided by operating activities	\$ 167,597	\$ 146,882
Net cash used in investing activities	\$ (59,221)	\$ (29,652)
Net cash used in financing activities	\$ (89,878)	\$ (82,560)
Cash and cash equivalents (beginning of period)	\$ 14,633	\$ 11,539
Cash and cash equivalents (end of period)	\$ 34,337	\$ 45,026

Cash Provided by Operating Activities

Cash provided by operating activities was \$167.6 million for the six months ended June 30, 2017, compared to \$146.9 million for the same period in 2016. The increase in cash provided by operating activities resulted from the increase in net income of \$19.3 million, which includes the \$18.5 million excess tax benefit associated with the exercise of stock options and vesting of restricted stock recognized during the quarter upon the adoption of new accounting guidance for the accounting of stock-based compensation. The tax benefit from stock-based compensation was recorded to the balance sheet and reported as an increase to cash from financing activities in the prior year. The excess tax benefit for the six months ended June 30, 2017 was significant due to the vesting of certain restricted stock and the volume of stock option exercises. The Company expects the excess tax benefit to approximate \$3.0 million to \$4.0 million for the remainder of 2017.

Cash Used in Investing Activities

Cash used in investing activities was \$59.2 million for the six months ended June 30, 2017 and was primarily related to fixed asset additions for new child care centers, maintenance and refurbishments in our existing centers, and continued investments in technology, equipment and furnishings. In the six months ended June 30, 2017, the Company used \$16.9 million to acquire ten centers in the Netherlands and two in the United States. Cash used in investing activities was

\$29.7 million for the same period in 2016 and was primarily related to fixed asset additions for new child care centers, maintenance and refurbishments in our existing centers, and investments in technology, equipment and furnishings. In the six months ended June 30, 2016, the Company used \$2.4 million to acquire three centers in the United Kingdom.

Cash Used in Financing Activities

Cash used in financing activities amounted to \$89.9 million for the six months ended June 30, 2017 compared to \$82.6 million for the same period in 2016. The increase in cash used in financing activities for the six months ended June 30, 2017 was primarily due to share repurchases of \$73.2 million, taxes paid related to the net share settlement of stock awards totaling \$23.3 million, and net repayments of borrowings on the revolving credit facility totaling \$9.0 million. These uses of cash were offset by proceeds from the exercise of options to purchase common stock of \$15.4 million and from the issuance and sale of restricted stock of \$4.3 million. Cash used in financing activities for the six months ended June 30, 2016 consisted principally of share repurchases of \$94.9 million. These uses of cash were offset by proceeds from net borrowings on the revolving credit facility of \$5.6 million, the issuance and sale of restricted stock of \$3.7 million, the exercise of options to purchase common stock of \$4.5 million, and the tax benefit of stock-based compensation in the amount of \$5.1 million.

Debt

As of June 30, 2017, the Company's \$1.3 billion senior secured credit facilities consisted of \$1.1 billion in a secured term loan facility and a \$225.0 million revolving credit facility. The term loans mature on November 7, 2023 and require quarterly principal payments of \$2.7 million, with the remaining principal balance due on November 7, 2023.

Outstanding term loan borrowings were as follows at June 30, 2017 and December 31, 2016 (in thousands):

	June 30, 2017	December 31, 2016
Term loans	\$ 1,072,313	\$ 1,075,000
Deferred financing costs and original issue discount	(10,674)	(10,241)
Total debt	1,061,639	1,064,759
Less current maturities	10,750	10,750
Long-term debt	\$ 1,050,889	\$ 1,054,009

Borrowings outstanding on the revolving credit facility were \$67.0 million at June 30, 2017 and \$76.0 million at December 31, 2016.

All borrowings under the credit agreement are subject to variable interest. Borrowings under the term loan facility bear interest at a rate per annum of 1.25% over the base rate, or 2.25% over the Eurocurrency rate (each as defined in the credit agreement), which is the one, two, three or six month LIBOR rate or, with applicable lender approval, the twelve month or less than one month LIBOR rate. The base rate is subject to an interest rate floor of 1.75% and the Eurocurrency rate is subject to an interest rate floor of 0.75%, but only with respect to the term loan facility. Borrowings under the revolving credit facility bear interest at a rate per annum ranging from 0.75% to 1.25% over the base rate, or 1.75% to 2.25% over the Eurocurrency rate.

On January 26, 2016, the Company amended its then existing credit agreement to increase the revolving credit facility from \$100.0 million to \$225.0 million, to extend the maturity date on the revolving credit facility from January 30, 2018 to July 31, 2019, and to modify the interest rate applicable to borrowings.

On November 7, 2016, the Company modified its then existing senior credit facilities and refinanced all of its outstanding term loans into a new seven year term loan facility, which resulted in the issuance of \$1.1 billion in new term loans, of which \$922.5 million was used to repay outstanding term loans under the previous term loan facility, and \$150.0 million of which was used to fund the acquisition of a business. The terms, interest rate and availability of the revolving credit facility were not modified in the November 2016 debt refinancing.

On May 8, 2017, the Company amended its existing senior credit facilities to, among other changes, reduce the applicable interest rates of the term loan facility and the revolving credit facility and extend the maturity date on the revolving credit facility from July 31, 2019 to July 31, 2022. The amended term loan facility continues to have a maturity date of November 7, 2023.

All obligations under the senior secured credit facilities are secured by substantially all of the assets of the Company's U.S. based subsidiaries. The senior secured credit facilities contain a number of covenants that, among other things and subject to certain exceptions, may restrict the ability of Bright Horizons Family Solutions LLC, our wholly-owned subsidiary, and its restricted subsidiaries, to: incur certain liens; make investments, loans, advances and acquisitions; incur additional indebtedness or guarantees; pay dividends on capital stock or redeem, repurchase or retire capital stock or

subordinated indebtedness; engage in transactions with affiliates; sell assets, including capital stock of our subsidiaries; alter the business conducted; enter into agreements restricting our subsidiaries' ability to pay dividends; and consolidate or merge.

In addition, the credit agreement governing the senior secured credit facilities requires Bright Horizons Capital Corp., our direct subsidiary, to be a passive holding company, subject to certain exceptions. The amended revolving credit facility requires Bright Horizons Family Solutions LLC, the borrower, and its restricted subsidiaries to comply with a maximum senior secured first lien net leverage ratio financial maintenance covenant on the last day of each fiscal quarter. The breach of this covenant is subject to certain equity cure rights.

The credit agreement governing the senior secured credit facilities contains certain customary affirmative covenants and events of default. We were in compliance with our financial covenants at June 30, 2017.

Off-Balance Sheet Arrangements

As of June 30, 2017, we had no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and foreign currency rate fluctuations. Since December 31, 2016, there have been no material changes in the Company's exposures to interest rate or foreign currency rate fluctuations. See Part II, Item 7A. "Quantitative and Qualitative Disclosures about Market Risk," in our Annual Report on Form 10-K for the year ended December 31, 2016 for further information regarding market risk. The Company currently does not enter into derivatives or other market risk sensitive instruments for the purpose of hedging or for trading purposes.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of June 30, 2017, the Company conducted an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer (its principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). The term "disclosure controls and procedures" means controls and other procedures that are designed to ensure that information required to be disclosed by the Company in reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported within the requisite time periods and that such disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act are accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) were effective as of June 30, 2017.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the quarter ended June 30, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

We are, from time to time, subject to claims and suits arising in the ordinary course of business, some of which have not been fully adjudicated. Such claims have in the past generally been covered by insurance. We believe the resolution of such legal matters will not have a material adverse effect on our financial condition, results of operations or cash flows, although we cannot predict the ultimate outcome of any such actions. Furthermore, there can be no assurance that our insurance will be adequate to cover all liabilities that may arise out of claims brought against us.

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, including those disclosed in Part I, Item 1A. “Risk Factors” included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which could adversely affect our business, financial condition and operating results. There have been no material changes to our risk factors since our Annual Report on Form 10-K for the year ended December 31, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**Issuer Purchases of Equity Securities**

The table below sets forth information regarding purchases of our common stock during the three months ended June 30, 2017:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (In thousands) (1)
April 1, 2017 to April 30, 2017	41,276	\$ 71.24	41,276	\$ 272,676
May 1, 2017 to May 31, 2017	748,547	\$ 78.89	748,547	\$ 213,620
June 1, 2017 to June 30, 2017	52,710	\$ 76.65	52,710	\$ 209,579
	<u>842,533</u>		<u>842,533</u>	

- (1) On August 2, 2016, the board of directors of the Company authorized a share repurchase program of up to \$300 million of the Company’s common stock, effective August 5, 2016. The share repurchase program, which has no expiration date, replaced the February 2015 authorization. The share repurchases during the three months ended June 30, 2017 include 0.7 million shares purchased in May 2017 in a single block trade in connection with an underwritten secondary offering. The remaining repurchases were open market transactions pursuant to the August 2016 authorization. All repurchased shares have been retired.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

(a) Exhibits:

Exhibit Number	Exhibit Title
10.1†*	Bright Horizons Family Solutions Inc. 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated Effective as of June 1, 2017.
10.2†*	Bright Horizons Family Solutions Inc. 2017 Annual Incentive Plan.
10.3†*	Form of Non-Statutory Stock Option Agreement (Employees) under the 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of June 1, 2017.
10.4†*	Form of Restricted Stock Unit Agreement (Directors) under the 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of June 1, 2017.
10.5†*	Form of Restricted Stock Agreement under the 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of June 1, 2017.
10.6*	Amendment Agreement, dated as of May 8, 2017, among Bright Horizons Family Solutions LLC, Bright Horizons Capital Corp., JPMorgan Chase Bank, N.A. the Existing Lenders as parties thereto and the New Lenders as parties thereto.
31.1*	Principal Executive Officer Certification Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Principal Financial Officer Certification Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Exhibits filed herewith.

** Exhibits furnished herewith.

† Management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

Date: August 7, 2017

By: _____

/s/ Elizabeth Boland

Elizabeth Boland
Chief Financial Officer
(Duly Authorized Officer)

BRIGHT HORIZONS FAMILY SOLUTIONS INC.**2012 OMNIBUS LONG-TERM INCENTIVE PLAN, AS AMENDED AND RESTATED EFFECTIVE AS OF JUNE 1, 2017****1. DEFINED TERMS**

Exhibit A, which is incorporated by reference, defines the terms used in the Plan and sets forth certain operational rules related to those terms.

2. PURPOSE

The Plan has been established to advance the interests of the Company by providing for the grant to Participants of Stock-based and other incentive Awards.

3. ADMINISTRATION

The Administrator has discretionary authority, subject only to the express provisions of the Plan, to interpret the Plan; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award; determine the form of settlement of Awards (whether in cash, shares of Stock, or other property); prescribe forms, rules and procedures relating to the Plan and Awards; and otherwise do all things necessary or appropriate to carry out the purposes of the Plan. Determinations of the Administrator made under the Plan will be conclusive and will bind all parties.

4. LIMITS ON AWARDS UNDER THE PLAN

(a) Number of Shares. Subject to adjustment as provided in Section 7(b), the maximum number of shares of Stock that may be delivered in satisfaction of Awards under the Plan is five million (5,000,000) shares. Up to the total number of shares available for awards to employee Participants may be issued in satisfaction of ISOs, but nothing in this Section 4(a) will be construed as requiring that any, or any fixed number of, ISOs be awarded under the Plan. For purposes of this Section 4(a), the number of shares of Stock delivered in satisfaction of Awards will be determined (i) by including shares of Stock withheld by the Company in payment of the exercise price or purchase price of the Award or in satisfaction of tax withholding requirements with respect to the Award, (ii) by including the full number of shares covered by a SAR any portion of which is settled in Stock (and not only the number of shares of Stock delivered in settlement), and (iii) by excluding any shares of Stock underlying Awards settled in cash or that expire, become unexercisable, terminate or are forfeited to or repurchased by the Company without the issuance of Stock. For the avoidance of doubt, the number of shares of Stock available for delivery under the Plan will not be increased by any shares of Stock delivered under the Plan that are subsequently repurchased using proceeds directly attributable to Stock Option exercises. To the extent consistent with the requirements of Section 422 and other applicable requirements (including applicable stock exchange requirements), Stock issued under Substitute Awards shall not reduce the number of shares available for Awards under the Plan. The shares which may be delivered under Substitute Awards shall be in addition to the limitations set forth in this Section 4(a) on the number of shares available for issuance under the Plan, and such Substitute Awards shall not be subject to the per-Participant Award limits described in Section 4(c) below.

(b) Type of Shares. Stock delivered by the Company under the Plan may be authorized but unissued Stock or previously issued Stock acquired by the Company.

(c) Section 162(m) Limits. The following additional limits will apply to Awards of the specified type granted or, in the case of Cash Awards, payable to any person in any calendar year:

- (1) Stock Options: five-hundred thousand (500,000) shares of Stock.
- (2) SARs: five-hundred thousand (500,000) shares of Stock.
- (3) Awards other than Stock Options, SARs or Cash Awards: two-hundred and fifty thousand (250,000) shares of Stock.
- (4) Cash Awards: two million five hundred thousand dollars (\$2,500,000).

In applying the foregoing limits, (i) all Awards of the specified type granted to the same person in the same calendar year will be aggregated and made subject to one limit; (ii) the limits applicable to Stock Options and SARs refer to the number of shares of Stock subject to those Awards; (iii) the share limit under clause (3) refers to the maximum number of shares of Stock that may be delivered, under an Award or Awards of the type specified in clause (3) assuming a maximum payout; (iv) all Awards, other than Cash Awards that are settled in cash, count against the applicable share limit under clause (1), (2) or (3) and not against the dollar limit under clause (4); and (v) the dollar limit under clause (4) refers to the maximum dollar amount payable under a Cash Award assuming a maximum payout. The foregoing provisions will be construed in a manner consistent with Section 162(m), including, without limitation, where applicable, the rules under Section 162(m) pertaining to permissible deferrals of exempt awards.

(d) Non-Employee Director Limits. Notwithstanding the limits in subsection (c) above, the maximum grant date fair value of Awards (other than Cash Awards) granted to any non-Employee director of the Board in any calendar year, calculated in accordance with FASB ASC 718 (or any successor provision), assuming a maximum payout, may not exceed \$500,000. The limitation in the immediately preceding sentence will not apply to any Award or shares of Stock granted pursuant to such director's election to receive an Award or shares of Stock in lieu of cash retainers or other fees (to the extent such Award or shares of Stock have a fair value equal to the value of such cash retainers or other fees).

5. ELIGIBILITY AND PARTICIPATION

The Administrator will select Participants from among key Employees and directors of, and consultants and advisors to, the Company and its Affiliates. Eligibility for ISOs is limited to individuals described in the first sentence of this Section 5 who are employees of the Company or of a "parent corporation" or "subsidiary corporation" of the Company as those terms are defined in Section 424 of the Code. Eligibility for Stock Options, other than ISOs, and SARs is limited to individuals described in the first sentence of this Section 5 who are providing direct services on the date of grant of the Award to the Company or to a subsidiary of the Company that would be described in the first sentence of Treas. Regs. §1.409A-1(b)(5)(iii)(E).

6. RULES APPLICABLE TO AWARDS

(a) All Awards.

(1) Award Provisions. The Administrator will determine the terms of all Awards, subject to the limitations provided herein. By accepting (or, under such rules as the Administrator may prescribe, being deemed to have accepted) an Award, the Participant will be deemed to have agreed to the terms of the Award and the Plan. Notwithstanding any provision of this Plan to the contrary, Substitute Awards may contain terms and conditions that are inconsistent with the terms and conditions specified herein, as determined by the Administrator. No term of an Award shall provide for automatic "reload" grants of additional Awards upon exercise of an Option or SAR or otherwise as a term of an Award.

(2) Term of Plan. No Awards may be made after ten years from the Date of Adoption, but previously granted Awards may continue beyond that date in accordance with their terms.

(3) Transferability. Neither ISOs nor, except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 6(a)(3), other Awards may be transferred other than by will or by the laws of descent and distribution. During a Participant's lifetime, ISOs (and, except as the Administrator otherwise expressly provides in accordance with the third sentence of this Section 6(a)(3), SARs and NSOs) may be exercised only by the Participant. The Administrator may permit the gratuitous transfer (i.e., transfer not for value) of Awards other than ISOs to any transferee eligible to be covered by the provisions of Form S-8 (under the Securities Act of 1933, as amended), subject to such limitations as the Administrator may impose.

(4) Vesting, etc. The Administrator will determine the time or times at which an Award will vest or become exercisable and the terms on which a Stock Option or SAR will remain exercisable. Without limiting the foregoing, the Administrator may at any time accelerate the vesting or exercisability of an Award, regardless of any adverse or potentially adverse tax or other consequences resulting from such acceleration. Unless the Administrator expressly provides otherwise, however, the following rules will apply if a Participant's Employment ceases:

(A) Immediately upon the cessation of the Participant's Employment and except as provided in (B), (C), (D) or (E) below, each Stock Option and SAR that is then held by the Participant or by the Participant's permitted transferees, if any, will cease to be exercisable and will terminate and all other Awards that are then held by the Participant or by the Participant's permitted transferees, if any, to the extent not already vested will be forfeited.

(B) Subject to (C), (D) and (E) below, all Stock Options and SARs held by the Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of sixty (60) days or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(C) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to the Participant's cessation of Employment by reason of death, to the extent then exercisable, will remain exercisable for the lesser of (i) the one year period ending with the first anniversary of the Participant's death or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(D) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to the Participant's cessation of Employment by reason of Disability, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of one hundred and eighty (180) days, or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(E) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to the Participant's cessation of Employment by reason of Retirement, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of ninety (90) days, or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(F) All Stock Options and SARs (whether or not exercisable) held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment will immediately terminate upon such cessation of Employment if the termination is for Cause or occurs in circumstances that in the sole determination of the Administrator would have constituted grounds for the Participant's Employment to be terminated for Cause.

(5) Additional Restrictions. The Administrator may cancel, rescind, withhold or otherwise limit or restrict any Award at any time if the Participant is not in compliance with all applicable provisions of the Award agreement and the Plan, or if the Participant breaches any agreement with the Company or its Affiliates with respect

to non-competition, non-solicitation or confidentiality. Without limiting the generality of the foregoing, the Administrator may recover Awards made under the Plan and payments under or gain in respect of any Award to the extent required to comply with (i) Section 10D of the Securities Exchange Act of 1934, as amended, or any stock exchange or similar rule adopted under said Section or (ii) any applicable Company clawback or recoupment policy as in effect from time to time. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Administrator, and to cause any and all permitted transferees of the Participant to cooperate fully with the Administrator, to effectuate any forfeiture or disgorgement required hereunder. Neither the Administrator nor the Company nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 6(a)(5).

(6) Taxes. The delivery, vesting and retention of Stock, cash or other property under an Award are conditioned upon full satisfaction by the Participant of all tax withholding requirements with respect to the Award. The Administrator will prescribe such rules for the withholding of taxes as it deems necessary. The Administrator may, but need not, hold back shares of Stock from an Award or permit a Participant to tender previously owned shares of Stock in satisfaction of tax withholding requirements (but not in excess of the maximum withholding amount consistent with the award being subject to equity accounting treatment under FASB ASC 718).

(7) Dividends, Dividend Equivalents, Etc. The Administrator may provide for the payment of amounts (on terms and subject to conditions established by the Administrator) in lieu of cash dividends or other cash distributions with respect to Stock subject to an Award whether or not the holder of such Award is otherwise entitled to share in the actual dividend or distribution in respect of such Award; provided, however, that (a) dividends or dividend equivalents relating to an Award that, at the dividend payment date, remains subject to a risk of forfeiture (whether service-based or performance-based) shall be subject to the same risk of forfeiture as applies to the underlying Award and (b) no dividends or dividend equivalents shall be payable with respect to Options or SARs. Any entitlement to dividend equivalents or similar entitlements will be established and administered either consistent with an exemption from, or in compliance with, the requirements of Section 409A. Dividends or dividend equivalent amounts payable in respect of Awards that are subject to restrictions may be subject to such additional limitations or restrictions as the Administrator may impose.

(8) Rights Limited. Nothing in the Plan will be construed as giving any person the right to be granted an Award or to continued employment or service with the Company or its Affiliates, or any rights as a stockholder except as to shares of Stock actually issued under the Plan. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of termination of Employment for any reason, even if the termination is in violation of an obligation of the Company or any Affiliate to the Participant.

(9) Section 162(m). In the case of any Performance Award (other than a Stock Option or SAR) intended to qualify for the performance-based compensation exception under Section 162(m), the Administrator will establish the applicable Performance Criterion or Criteria applicable to the Award within the time period required under Section 162(m) and the grant, vesting or payment, as the case may be, of the Award will be conditioned on the attainment of such Performance Criterion or Criteria as certified by the Administrator. The Administrator may, subject to the terms of the Plan, amend a previously granted Performance Award or take any other action that disqualifies such Award from the performance-based compensation exception under Section 162(m).

(10) Coordination with Other Plans. Awards under the Plan may be granted in tandem with, or in satisfaction of or substitution for, other Awards under the Plan or awards made under other compensatory plans or programs of the Company or its Affiliates. For example, but without limiting the generality of the foregoing, awards under other compensatory plans or programs of the Company or its Affiliates may be settled in Stock (including, without limitation, Unrestricted Stock) if the Administrator so determines, in which case the shares delivered will be treated as awarded under the Plan (and will reduce the number of shares thereafter available under the Plan in accordance with the rules set forth in Section 4). In any case where an award is made under another plan or program of the Company or its Affiliates and such award is intended to qualify for the performance-based compensation exception under Section 162(m), and such award is settled by the delivery of Stock or another Award under the Plan, the applicable Section 162(m) limitations under both the other plan or program and under the Plan will be

applied to the Plan as necessary (as determined by the Administrator) to preserve the availability of the Section 162(m) performance-based compensation exception with respect thereto.

(11) Section 409A.

(A) Each Award will contain such terms as the Administrator determines, and will be construed and administered, such that the Award either qualifies for an exemption from the requirements of Section 409A or satisfies such requirements.

(B) Notwithstanding Section 9 of this Plan or any other provision of this Plan or any Award agreement to the contrary, the Administrator may unilaterally amend, modify or terminate the Plan or any outstanding Award, including but not limited to changing the form of the Award, if the Administrator determines that such amendment, modification or termination is necessary or advisable to avoid the imposition of an additional tax, interest or penalty under Section 409A.

(C) If a Participant is deemed on the date of the Participant's termination of Employment to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B), then, with regard to any payment that is considered nonqualified deferred compensation under Section 409A, to the extent applicable, payable on account of a "separation from service", such payment will be made or provided on the date that is the earlier of (i) the expiration of the six-month period measured from the date of such "separation from service" and (ii) the date of the Participant's death (the "Delay Period"). Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 6(a)(11)(C) (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such delay) will be paid on the first business day following the expiration of the Delay Period in a lump sum and any remaining payments due under the Award will be paid in accordance with the normal payment dates specified for them in the applicable Award agreement.

(D) For purposes of Section 409A, each payment made under this Plan will be treated as a separate payment.

(E) With regard to any payment considered to be nonqualified deferred compensation under Section 409A, to the extent applicable, that is payable upon a change in control of the Company or other similar event, if necessary to avoid the imposition of an additional tax, interest or penalty under Section 409A, no amount will be payable unless such change in control constitutes a "change in control event" within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations.

(12) Fair Market Value. In determining the fair market value of any share of Stock under the Plan, the Administrator will make the determination in good faith consistent with the rules of Section 422 and Section 409A to the extent applicable.

(b) Stock Options and SARs.

(1) Time And Manner Of Exercise. Unless the Administrator expressly provides otherwise, no Stock Option or SAR will be deemed to have been exercised until the Administrator receives a notice of exercise (in form acceptable to the Administrator), which may be an electronic notice, signed (including electronic signature in form acceptable to the Administrator) by the appropriate person and accompanied by any payment required under the Award. A Stock Option or SAR exercised by any person other than the Participant will not be deemed to have been exercised until the Administrator has received such evidence as it may require that the person exercising the Award has the right to do so.

(2) Exercise Price. The exercise price (or the base value from which appreciation is to be measured) of each Award requiring exercise (other than a Substitute Award) will be no less than 100% (or in the case of an ISO granted to a ten-percent shareholder within the meaning of subsection (b)(6) of Section 422, 110%) of the fair

market value of the Stock subject to the Award, determined as of the date of grant, or such higher amount as the Administrator may determine in connection with the grant.

(3) Payment Of Exercise Price. Where the exercise of an Award is to be accompanied by payment, payment of the exercise price will be by cash or check acceptable to the Administrator or by such other legally permissible means, if any, as may be acceptable to the Administrator, including, without limitation, (i) through the delivery of previously acquired unrestricted shares of Stock, or the withholding of unrestricted shares of Stock otherwise deliverable upon exercise, in either case that have a fair market value equal to the exercise price, (ii) through a broker-assisted exercise program acceptable to the Administrator, or (iii) by any combination of the foregoing permissible forms of payment. The delivery of previously acquired shares in payment of the exercise price under clause (i) above may be accomplished either by actual delivery or by constructive delivery through attestation of ownership, subject to such rules as the Administrator may prescribe.

(4) Maximum Term. Stock Options and SARs will have a maximum term not to exceed ten (10) years from the date of grant (or five (5) years from the date of grant in the case of an ISO granted to a ten-percent shareholder described in Section 6(b)(2) above.

(5) No Repricing. Except in connection with a corporate transaction involving the Company (which term includes, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares) or as otherwise contemplated by Section 7 below, the Company may not, without obtaining stockholder approval, (A) amend the terms of outstanding Stock Options or SARs to reduce the exercise price or base value of such Stock Options or SARs, (B) cancel outstanding Stock Options or SARs in exchange for Stock Options or SARs with an exercise price or base value that is less than the exercise price or base value of the original Stock Options or SARs, or (C) cancel outstanding Stock Options or SARs that have an exercise price or base value greater than the fair market value of a share of Stock on the date of such cancellation in exchange for cash, another Award or other consideration.

7. EFFECT OF CERTAIN TRANSACTIONS

(a) Mergers, etc. Except as otherwise provided in an Award agreement, the following provisions will apply in the event of a Covered Transaction:

(1) Assumption or Substitution. If the Covered Transaction is one in which there is an acquiring or surviving entity, the Administrator may (but, for the avoidance of doubt, need not) provide (i) for the assumption or continuation of some or all outstanding Awards or any portion thereof or (ii) for the grant of new awards in substitution therefor by the acquirer or survivor or an affiliate of the acquirer or survivor.

(2) Cash-Out of Awards. Subject to Section 7(a)(5) below the Administrator may (but, for the avoidance of doubt, need not) provide for payment (a "cash-out"), with respect to some or all Awards or any portion thereof, equal in the case of each affected Award or portion thereof to the excess, if any, of (A) the fair market value of one share of Stock (as determined by the Administrator in its reasonable discretion) times the number of shares of Stock subject to the Award or such portion, over (B) the aggregate exercise or purchase price, if any, under the Award or such portion (in the case of an SAR, the aggregate base value above which appreciation is measured), in each case on such payment terms (which need not be the same as the terms of payment to holders of Stock) and other terms, and subject to such conditions, as the Administrator determines; provided, however, for the avoidance of doubt, that if the exercise or purchase price (or base value) of an Award is equal to or greater than the fair market value of one share of Stock, the Award may be cancelled with no payment due hereunder or otherwise in respect of such Award.

(3) Acceleration of Certain Awards. Subject to Section 7(a)(5) below, the Administrator may (but, for the avoidance of doubt, need not) provide that any Award requiring exercise will become exercisable, in full or in part, and/or that the delivery of any shares of Stock remaining deliverable under any outstanding Award of Stock Units (including Restricted Stock Units and Performance Awards to the extent consisting of Stock Units) will be accelerated in full or in part, in each case on a basis that gives the holder of the Award a reasonable opportunity, as

determined by the Administrator, following exercise of the Award or the delivery of the shares, as the case may be, to participate as a stockholder in the Covered Transaction.

(4) Termination of Awards Upon Consummation of Covered Transaction. Except as the Administrator may otherwise determine in any case, each Award will automatically terminate (and in the case of outstanding shares of Restricted Stock, will automatically be forfeited) upon consummation of the Covered Transaction, other than (A) any Award that is assumed or substituted pursuant to Section 7(a)(1) above and (B) any Cash Award that by its terms, or as a result of action taken by the Administrator, continues following the Covered Transaction.

(5) Additional Limitations. Any share of Stock and any cash or other property delivered pursuant to Section 7(a)(2) or Section 7(a)(3) above with respect to an Award may, in the discretion of the Administrator, contain such restrictions, if any, as the Administrator deems appropriate to reflect any performance or other vesting conditions to which the Award was subject and that did not lapse (and were not satisfied) in connection with the Covered Transaction. For purposes of the immediately preceding sentence, a cash-out under Section 7(a)(2) above or acceleration under Section 7(a)(3) above will not, in and of itself, be treated as the lapsing (or satisfaction) of a performance or other vesting condition. In the case of Restricted Stock that does not vest and is not forfeited in connection with the Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of such Stock in connection with the Covered Transaction be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan.

(b) Changes in and Distributions With Respect to Stock.

(1) Basic Adjustment Provisions. In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other change in the Company's capital structure that constitutes an equity restructuring within the meaning of FASB ASC 718, the Administrator will make appropriate adjustments to the maximum number of shares specified in Section 4(a) that may be delivered under the Plan and to the maximum share limits described in Section 4(c), and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise prices relating to Awards and any other provision of Awards affected by such change.

(2) Certain Other Adjustments. The Administrator may also make adjustments of the type described in Section 7(b)(1) above to take into account distributions to stockholders other than those provided for in Section 7(a) and 7(b)(1), or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan.

(3) Continuing Application of Plan Terms. References in the Plan to shares of Stock will be construed to include any stock or securities resulting from an adjustment pursuant to this Section 7.

8. LEGAL CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove any restriction from shares of Stock previously delivered under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such shares have been addressed and resolved; (ii) if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the Award have been satisfied or waived. The Company may require, as a condition to exercise of the Award (or the delivery of shares of Stock under the Award), such representations or agreements as counsel for the Company may consider appropriate to avoid violation of the Securities Act of 1933, as amended, or any applicable state or non-U.S. securities law. Any Stock required to be issued to Participants under the Plan will be evidenced in such manner as the Administrator may deem appropriate, including book-entry registration or delivery of stock certificates. In the event that the Administrator determines that Stock certificates will be issued to Participants under the Plan, the Administrator may require that certificates evidencing Stock issued under the Plan

bear an appropriate legend reflecting any restriction on transfer applicable to such Stock, and the Company may hold the certificates pending lapse of the applicable restrictions.

9. AMENDMENT AND TERMINATION

The Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, and may at any time terminate the Plan as to any future grants of Awards; provided, that except as otherwise expressly provided in the Plan the Administrator may not, without the Participant's consent, alter the terms of an Award so as to affect materially and adversely the Participant's rights under the Award, unless the Administrator expressly reserved the right to do so at the time the Award was granted. Any amendments to the Plan will be conditioned upon stockholder approval only to the extent, if any, such approval is required by law (including the Code and applicable stock exchange requirements), as determined by the Administrator.

10. OTHER COMPENSATION ARRANGEMENTS

The existence of the Plan or the grant of any Award will not in any way affect the Company's right to award a person bonuses or other compensation in addition to Awards under the Plan.

11. MISCELLANEOUS

(a) Waiver of Jury Trial. By accepting an Award under the Plan, each Participant waives any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan and any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees that any such action, proceedings or counterclaim will be tried before a court and not before a jury. By accepting an Award under the Plan, each Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers. Notwithstanding anything to the contrary in the Plan, nothing herein is to be construed as limiting the ability of the Company and a Participant to agree to submit disputes arising under the terms of the Plan or any Award made hereunder to binding arbitration or as limiting the ability of the Company to require any eligible individual to agree to submit such disputes to binding arbitration as a condition of receiving an Award hereunder.

(b) Limitation of Liability. Notwithstanding anything to the contrary in the Plan, neither the Company, nor any Affiliate, nor the Administrator, nor any person acting on behalf of the Company, any Affiliate, or the Administrator, will be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted by reason of the failure of an Award to satisfy the requirements of Section 422 or Section 409A or by reason of Section 4999 of the Code, or otherwise asserted with respect to the Award.

12. ESTABLISHMENT OF SUB-PLANS

The Administrator may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Administrator will establish such sub-plans by adopting supplements to the Plan setting forth (i) such limitations on the Administrator's discretion under the Plan as it deems necessary or desirable and (ii) such additional terms and conditions not otherwise inconsistent with the Plan as it deems necessary or desirable. All supplements so established will be deemed to be part of the Plan, but each supplement will apply only to Participants within the affected jurisdiction (as determined by the Administrator).

13. GOVERNING LAW

(a) Certain Requirements of Corporate Law. Awards will be granted and administered consistent with the requirements of applicable Delaware law relating to the issuance of stock and the consideration to be received therefor, and with the applicable requirements of the stock exchanges or other trading systems on which the Stock is listed or entered for trading, in each case as determined by the Administrator.

(b) Other Matters. Except as otherwise provided by the express terms of an Award agreement, under a sub-plan described in Section 12 or as provided in Section 13(a) above, the provisions of the Plan and of Awards under the Plan and all claims or disputes arising out of or based upon the Plan or any Award under the Plan or relating to the subject matter hereof or thereof will be governed by and construed in accordance with the domestic substantive laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

(c) Jurisdiction. By accepting an Award, each Participant will be deemed to (a) have submitted irrevocably and unconditionally to the jurisdiction of the federal and state courts located within the geographic boundaries of the United States District Court for the District of Massachusetts for the purpose of any suit, action or other proceeding arising out of or based upon the Plan or any Award; (b) agree not to commence any suit, action or other proceeding arising out of or based upon the Plan or an Award, except in the federal and state courts located within the geographic boundaries of the United States District Court for the District of Massachusetts; and (c) waive, and agree not to assert, by way of motion as a defense or otherwise, in any such suit, action or proceeding, any claim that he or she not subject personally to the jurisdiction of the above-named courts that his or her property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the Plan or an Award or the subject matter thereof may not be enforced in or by such court.

EXHIBIT A

Definition of Terms

The following terms, when used in the Plan, will have the meanings and be subject to the provisions set forth below:

“Administrator”: The Compensation Committee, except that the Compensation Committee may delegate (i) to one or more of its members (or one or more other members of the Board (including the full Board)) such of its duties, powers and responsibilities as it may determine; (ii) to one or more officers of the Company the power to grant Awards to the extent permitted by Section 152 or 157(c) of the Delaware General Corporation Law; and (iii) to such Employees or other persons as it determines such ministerial tasks as it deems appropriate. In the event of any delegation described in the preceding sentence, the term “Administrator” will include the person or persons so delegated to the extent of such delegation.

“Affiliate”: Any corporation or other entity that stands in a relationship to the Company that would result in the Company and such corporation or other entity being treated as one employer under Section 414(b) and Section 414(c) of the Code.

“Award”: Any or a combination of the following:

- (i) Stock Options.
- (ii) SARs.
- (iii) Restricted Stock.
- (iv) Unrestricted Stock.
- (v) Stock Units, including Restricted Stock Units.
- (vi) Performance Awards.
- (vii) Cash Awards.
- (viii) Awards (other than Awards described in (i) through (vii) above) that are convertible into or otherwise based on Stock.

“Board”: The Board of Directors of the Company.

“Cash Award”: An Award denominated in cash that has a performance period of greater than (12) months.

“Cause”: In the case of any Participant who is party to an employment or severance-benefit agreement that contains a definition of “Cause,” the definition set forth in such agreement will apply with respect to such Participant under the Plan for so long as such agreement is in effect. In the case of any other Participant, “Cause” will mean, as determined by the Administrator in its reasonable judgment, (i) a substantial failure of the Participant to perform the Participant’s duties and responsibilities to the Company or subsidiaries or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by the Participant of a felony or a crime involving moral turpitude; (iii) the commission by the Participant of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or any of its subsidiaries; (iv) a significant violation by the Participant of the code of conduct of the Company or its subsidiaries of any material policy of the Company or its subsidiaries, or of any statutory or common law duty of loyalty to the Company or its subsidiaries; (v) material breach of any of the terms of the Plan or any Award made under the Plan, or of the terms of any other agreement between the Company or subsidiaries and the Participant; or (vi) other conduct by the Participant that could be expected to be harmful to the business, interests or reputation of the Company.

“Code”: The U.S. Internal Revenue Code of 1986, as from time to time amended and in effect, or any successor statute as from time to time in effect.

“Compensation Committee”: The Compensation Committee of the Board.

“Company”: Bright Horizons Family Solutions Inc.

“Covered Transaction”: Any of (i) a consolidation, merger, or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company’s then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, (ii) a sale or transfer of all or substantially all the Company’s assets, or (iii) a dissolution or liquidation of the Company. Where a Covered Transaction involves a tender offer that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Administrator), the Covered Transaction will be deemed to have occurred upon consummation of the tender offer.

“Date of Adoption”: January 11, 2013.

“Disability”: In the case of any Participant who is a party to an employment or severance-benefit agreement that contains a definition of “Disability,” the definition set forth in such agreement shall apply with respect to such Participant under the Plan for so long as such agreement is in effect. In the case of any other Participant, “Disability” shall mean a disability that would entitle a Participant to long-term disability benefits under the Company’s long-term disability plan to which the Participant participates.

“Employee”: Any person who is employed by the Company or an Affiliate.

“Employment”: A Participant’s employment or other service relationship with the Company and its Affiliates. Employment will be deemed to continue, unless the Administrator expressly provides otherwise, so long as the Participant is employed by, or otherwise is providing services in a capacity described in Section 5 to the Company or an Affiliate. If a Participant’s employment or other service relationship is with an Affiliate and that entity ceases to be an Affiliate, the Participant’s Employment will be deemed to have terminated when the entity ceases to be an Affiliate unless the Participant transfers Employment to the Company or its remaining Affiliates. Notwithstanding the foregoing and the definition of “Affiliate” above, in construing the provisions of any Award relating to the payment of “nonqualified deferred compensation” (subject to Section 409A) upon a termination or cessation of Employment, references to termination or cessation of employment, separation from service, retirement or similar or correlative terms will be construed to require a “separation from service” (as that term is defined in Section 1.409A-1(h) of the Treasury Regulations) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single “service recipient” with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations. The Company may, but need not, elect in writing, subject to the applicable limitations under Section 409A, any of the special elective rules prescribed in Section 1.409A-1(h) of the Treasury Regulations for purposes of determining whether a “separation from service” has occurred. Any such written election will be deemed a part of the Plan.

“ISO”: A Stock Option intended to be an “incentive stock option” within the meaning of Section 422. Each Stock Option granted pursuant to the Plan will be treated as providing by its terms that it is to be an NSO unless, as of the date of grant, it is expressly designated as an ISO.

“NSO”: A Stock Option that is not intended to be an “incentive stock option” within the meaning of Section 422.

“Participant”: A person who is granted an Award under the Plan.

“Performance Award”: An Award subject to Performance Criteria. The Administrator in its discretion may grant Performance Awards that are intended to qualify for the performance-based compensation exception under Section 162(m) and Performance Awards that are not intended so to qualify.

“Performance Criteria”: Specified criteria, other than the mere continuation of Employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award. For purposes of Awards that are intended to qualify for the performance-based compensation exception under Section 162(m), a Performance Criterion will mean an objectively determinable measure or objectively determinable measures of performance relating to any or any combination of the following (measured either absolutely or comparatively (including, without limitation, by reference to an index or indices or the performance of one or more companies) and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof and subject to such adjustments, if any, as the Administrator specifies, consistent with the requirements of Section 162(m)): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after-tax basis; net income; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular services; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; center openings (including openings in new markets); new service or product lines; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. A Performance Criterion and any targets with respect thereto determined by the Administrator need not be based upon an increase, a positive or improved result or avoidance of loss. Any Performance Criteria that are financial metrics may be determined in accordance with United States Generally Accepted Accounting Principles (“GAAP”) or may be adjusted when established (or to the extent permitted under Section 162(m) at any time thereafter) to include or exclude any items otherwise includable or excludable under GAAP. Provided that the Administrator has specified at least one Performance Criteria intended to qualify an Award as performance-based under Section 162(m), the Administrator may specify other performance goals or criteria (whether or not listed herein) as a basis for its exercise of negative discretion with respect to the Award. To the extent consistent with the requirements for satisfying the performance-based compensation exception under Section 162(m), the Administrator may provide in the case of any Award intended to qualify for such exception that one or more of the Performance Criteria applicable to such Award will be adjusted in an objectively determinable manner to reflect events (for example, but without limitation, the impact of charges for restructurings, discontinued operations, mergers, acquisitions, and other unusual or infrequently occurring items, and the cumulative effects of tax or accounting changes, each as defined by U.S. generally accepted accounting principles) occurring during the performance period that affect the applicable Performance Criterion or Criteria.

“Plan”: The Bright Horizons Family Solutions Inc. 2012 Omnibus Long-Term Incentive Plan, as from time to time amended and in effect.

“Restricted Stock”: Stock subject to restrictions requiring that it be redelivered or offered for sale to the Company if specified conditions are not satisfied.

“Restricted Stock Unit”: A Stock Unit that is, or as to which the delivery of Stock or cash in lieu of Stock is, subject to the satisfaction of specified performance or other vesting conditions.

“Retirement”: A Participant’s (i) retirement other than by reason of Disability from service with the Company upon or after attaining age sixty-five (65) or (ii) earlier retirement other than by reason of Disability from service with the Company with the express consent of the Company at or before the time of such retirement, provided that the Participant has attained the age of fifty (50) and has been employed by the Company or its subsidiaries for at least fifteen (15) years at the time of such retirement.

“SAR”: A right entitling the holder upon exercise to receive an amount (payable in cash or in shares of Stock of equivalent value) equal to the excess of the fair market value of the shares of Stock subject to the right over the base value from which appreciation under the SAR is to be measured.

“Section 409A”: Section 409A of the Code.

“Section 422”: Section 422 of the Code.

“Section 162(m)”: Section 162(m) of the Code.

“Substitute Awards”: Awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition.

“Stock”: Common stock of the Company, par value \$0.001 per share.

“Stock Option”: An option entitling the holder to acquire shares of Stock upon payment of the exercise price.

“Stock Unit”: An unfunded and unsecured promise, denominated in shares of Stock, to deliver Stock or cash measured by the value of Stock in the future.

“Unrestricted Stock”: Stock not subject to any restrictions under the terms of the Award.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.**2017 ANNUAL INCENTIVE PLAN**

This 2017 Annual Incentive Plan (the “Plan”) has been established to advance the interests of Bright Horizons Family Solutions Inc. (the “Company”) by providing for the grant of annual incentive compensation awards to eligible employees of the Company and its subsidiaries. The Plan is intended to comply with the requirements for tax deductibility imposed by Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) (Section 162(m) of the Code, together with the regulations thereunder, “Section 162(m)”), to the extent applicable and determined by the Compensation Committee of the Board of Directors of the Company (the “Committee”).

I. ADMINISTRATION

The Committee administers the Plan. In the case of any Award (as defined in Section III below) intended to qualify as performance-based compensation that is exempt from the deduction limitations under Section 162(m), as determined by the Committee (a “Section 162(m) Award”), (i) if any member of the Committee is not an “outside director” (as defined in Section 162(m)), the “Committee”, for purposes of the Plan, will consist of a subcommittee consisting solely of those Committee members who are “outside directors” as so defined (and where applicable, references in the Plan to the Committee will be deemed to be references to such subcommittee) and (ii) the Committee may delegate to other persons administrative functions that do not involve discretion. In the case of Awards other than Section 162(m) Awards, the Committee may delegate to other persons such duties, powers and responsibilities as it deems appropriate. To the extent of any such delegation, references herein to the “Committee” will be deemed to be references to the person or persons to whom such authority has been delegated.

The Committee has the authority to interpret the Plan and Awards, to determine eligibility for Awards, to determine the terms of and the conditions applicable to any Award, and generally to do all things necessary or desirable to administer the Plan. Any interpretation or decision by the Committee with respect to the Plan or any Award will be final and conclusive as to all persons.

II. ELIGIBILITY; PARTICIPANTS

Executive officers and other key employees of the Company and its subsidiaries are eligible to participate in the Plan. The Committee shall select, from among those eligible, the persons who will from time to time participate in the Plan (each, a “Participant”). Participation with respect to one Award under the Plan will not entitle an individual to participate with respect to a subsequent Award or Awards, if any.

III. GRANT OF AWARDS

The term “Award” as used in the Plan means an award opportunity that is granted to a Participant with respect to a specified performance period consisting of the Company’s fiscal year or such other period as the Committee may determine (each such period, a “Performance Period”). A Participant who is granted an Award will be entitled to a payment, if any, under the Award only if all conditions to payment have been satisfied in accordance with the Plan and the terms of the Award. By accepting (or, under such rules as the Committee may prescribe, being deemed to have accepted) an Award, the Participant agrees (or will be deemed to have agreed) to the terms of the Award and the Plan. For each Award, the Committee shall establish the following:

- (a) the Performance Criteria (as defined in Section IV below) applicable to the Award;
- (b) the amount or amounts that will be payable (subject to adjustment in accordance with Section V) if the Performance Criteria are achieved; and
- (c) such other terms and conditions as the Committee deems appropriate with respect to the Award.

For Section 162(m) Awards, (i) the Committee shall establish such terms not later than (A) the 90th day after the beginning of the Performance Period, in the case of a Performance Period of 360 days or longer, or (B) the end of the period constituting the first quarter of the Performance Period, in the case of a Performance Period of less than 360 days, and (ii) once the Committee has established the terms of such Award in accordance with the foregoing, it may not thereafter adjust such terms, except to reduce payments, if any, under the Award in accordance with Section V or as otherwise permitted in accordance with the requirements of Section 162(m) or as permitted by the terms of the Plan.

IV. PERFORMANCE CRITERIA

As used in the Plan, “Performance Criteria” means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the vesting, payment or full enjoyment of an Award. A Performance Criterion and any targets with respect thereto determined by the Committee need not be based upon an increase, a positive or improved result or avoidance of loss and may be applied to a Participant individually, or to a business unit or division or the Company as a whole. For Section 162(m) Awards, a Performance Criterion will mean an objectively determinable measure or objectively determinable measures of performance relating to any or any combination of the following (measured either absolutely or comparatively (including, without limitation, by reference to an index or indices or a specified peer group or a select group of companies) and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof and subject to such adjustments, if any, as the Committee specifies, consistent with the requirements of Section 162(m)): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after-tax basis; net income; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular services; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; center openings (including openings in new markets); new service or product lines; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. Any Performance Criteria that are financial metrics may be determined in accordance with United States Generally Accepted Accounting Principles (“GAAP”) or may be adjusted when established (or to the extent permitted under Section 162(m) at any time thereafter) to include or exclude any items otherwise includable or excludable under GAAP. Provided that the Committee has specified at least one Performance Criterion under this Section IV intended to qualify an Award as performance-based compensation under Section 162(m), the Committee may specify other performance goals or criteria (whether or not noted in this Section IV) as a basis for its exercise of negative discretion with respect to such Award. To the extent consistent with the requirements of Section 162(m), the Committee may establish that, in the case of a Section 162(m) Award, one or more of the Performance Criteria applicable to such Award will be adjusted in an objectively determinable manner to reflect events (for example, but without limitation, the impact of charges for restructurings, discontinued operations, mergers, acquisitions, and other unusual or infrequently occurring items, and the cumulative effects of tax or accounting changes, each as defined by U.S. generally accepted accounting principles) occurring during the Performance Period that affect the applicable Performance Criterion or Criteria. With respect to Awards other than Section 162(m) Awards, the Committee may provide that such Award, and any related Performance Criterion or Criteria, will be adjusted in any manner prescribed by the Committee in its sole discretion.

V. CERTIFICATION OF PERFORMANCE; AMOUNT PAYABLE UNDER AWARDS

As soon as practicable after the close of a Performance Period, the Committee will determine whether and to what extent, if at all, the Performance Criterion or Criteria applicable to each Award granted for the Performance Period have been satisfied and, in the case of Section 162(m) Awards, will take such steps as it determines to be sufficient to satisfy the certification requirement under Section 162(m) as to such performance results. The Committee shall then determine the actual payment, if any, under each Award. No amount may be paid under a Section 162(m) Award unless the Performance Criterion or Criteria applicable to the payment of such amount have been certified as having been satisfied as set forth above. The Committee may, in its sole and absolute discretion

and with or without specifying its reasons for doing so, after determining the amount that would otherwise be payable under any Award for a Performance Period, reduce (including to zero) the actual payment, if any, to be made under such Award or, in the case of Awards other than Section 162(m) Awards, otherwise adjust the amount payable under such Award. The Committee may exercise the discretion described in the immediately preceding sentence either in individual cases or in ways that affect more than one Participant. In each case the Committee's discretionary determination, which may affect different Awards differently, will be binding on all persons.

VI. PAYMENT UNDER AWARDS

Except as otherwise determined by the Committee or as otherwise provided in this Section VI, all payments under the Plan will be made, if at all, no later than March 15 of the calendar year following the calendar year in which the Performance Period ends; provided, that the Committee may authorize elective deferrals of any Award payments in accordance with the deferral rules of Section 409A of the Code and the regulations thereunder ("Section 409A"). Except as provided otherwise by the Committee, an Award payment will not be made unless the Participant has remained employed with the Company and its subsidiaries through the date of payment. Any deferrals with respect to a Section 162(m) Award will be subject to adjustment for notional interest or other notional earnings in a manner consistent with (as determined by the Committee) the requirements of Section 162(m). Awards under the Plan are intended either to qualify for exemption from, or to comply with the requirements of, Section 409A, but neither the Company nor any affiliate, nor the Committee, nor any person acting on behalf of the Company, any affiliate, or the Committee, will be liable for any adverse tax or other consequences to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award, including, but not limited to, by reason of the application of Section X below or any acceleration of income, or any additional tax (including any interest and penalties), asserted by reason of the failure of an Award to satisfy the requirements of Section 409A or by reason of Section 4999 of the Code.

VII. PAYMENT LIMITS

The maximum amount payable to any Participant in any fiscal year of the Company under Section 162(m) Awards will be \$2,500,000, which limitation, with respect to any such Awards for which payment is deferred in accordance with Section VI above, will be applied without regard to such deferral.

VIII. TAX WITHHOLDING

All payments under the Plan will be subject to reduction for applicable tax and other legally or contractually required withholdings.

IX. AMENDMENT AND TERMINATION

The Committee may amend the Plan at any time and from time to time; provided, however, that, with respect to Section 162(m) Awards, no amendment for which Section 162(m) would require shareholder approval in order to preserve the eligibility of such Awards as exempt performance-based compensation will be effective unless approved by the shareholders of the Company in a manner consistent with the requirements of Section 162(m). The Committee may at any time terminate the Plan.

X. MISCELLANEOUS

Awards held by a Participant are subject to forfeiture, termination and rescission, and a Participant will be obligated to return to the Company payments received with respect to Awards, in each case to the extent provided by the Committee in connection with (i) a breach by the Participant of an Award agreement or the Plan, or any non-competition, non-solicitation, confidentiality or similar covenant or agreement with the Company or any of its affiliates or (ii) an overpayment to the Participant of incentive compensation due to inaccurate financial data. Without limiting the generality of the foregoing, the Committee may recover Awards and payments under any Award in accordance with any applicable Company clawback or recoupment policy, as such policy may be amended and in effect from time to time, or as otherwise required by law, regulation or applicable stock exchange

listing standards, including, without limitation, Section 10D of the Securities Exchange Act of 1934, as amended. Each Participant, by accepting an Award pursuant to the Plan, agrees to return the full amount required under this Section X at such time and in such manner as the Committee determines in its sole discretion, consistent with applicable law.

No person will have any claim or right to be granted an Award, nor will the selection for participation in the Plan for any Performance Period be construed as giving a Participant the right to be retained in the employ or service of the Company or its affiliates for that Performance Period or for any other period. The loss of an Award will not constitute an element of damages in the event of termination of employment for any reason, even if the termination is in violation of an obligation of the Company or any affiliate to the Participant.

Section 162(m) Awards under the Plan will be construed and administered in a manner consistent with the exemption for performance-based compensation under Section 162(m). Notwithstanding the foregoing, the Committee may, subject to the terms of the Plan, amend a previously granted Award or take any other action that disqualifies such Award from the performance-based compensation exception under Section 162(m). Subject to the foregoing, the Committee has complete discretion to construe the Plan and all matters arising under the Plan.

The Plan is governed by the laws of the Commonwealth of Massachusetts without giving effect to any choice of law provisions that might otherwise refer construction or interpretation of the Plan to the substantive laws of another jurisdiction. The Plan is effective for Performance Periods beginning on or after January 1, 2018 (subject to the approval of the material terms of the Plan by the Company's shareholders prior to such date).

Name:	[•]
Number of Shares of Stock Subject to the Stock Option:	[•]
Price Per Share:	[\$•]
Date of Grant:	[•]

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

2012 OMNIBUS LONG-TERM INCENTIVE PLAN, AS AMENDED AND RESTATED AS OF JUNE 1, 2017

NON-STATUTORY STOCK OPTION AGREEMENT (EMPLOYEES)

This agreement (this “Agreement”) evidences a stock option granted by Bright Horizons Family Solutions Inc. (the “Company”) to the undersigned (the “Optionee”) pursuant to the Bright Horizons Family Solutions Inc. 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of June 1, 2017 (as amended from time to time, the “Plan”), which is incorporated herein by reference.

1. Grant of Stock Option. On the date of grant set forth above (the “Date of Grant”), the Company hereby grants to the Optionee an option (the “Stock Option”) to purchase, on the terms provided herein and in the Plan, up to the number of shares of Stock set forth above (each, a “Share”, and collectively, the “Shares”) at the exercise price per Share set forth above, in each case subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

The Stock Option evidenced by this Agreement is a non-statutory option (that is, an option that does not qualify as an incentive stock option under Section 422 of the Code). The Optionee is an employee of the Company and/or of one or more subsidiaries of the Company with respect to which the Company has a “controlling interest” as described in Treas. Regs. §1.409A-1(b)(5)(iii)(E)(1).

2. Meaning of Certain Terms. Each initially capitalized term used but not separately defined herein has the meaning assigned to such term in the Plan.

3. Vesting; Method of Exercise. Unless earlier terminated, forfeited, relinquished or expired, the Stock Option shall vest [•], provided, in each case, that the Optionee has remained in continuous Employment from the Date of Grant through the applicable vesting date, with the number of Shares that vest on any such date, other than the final vesting date, being rounded down to the nearest whole Share. No portion of the Stock Option may be exercised until it vests. Each election to exercise the Stock Option must comply with such rules as the Administrator prescribes from time to time and must be accompanied by payment in full of the exercise price in one or more of the forms described in Section 6(b)(3) of the Plan. In the event that the Stock Option is exercised by a person other than the Optionee, the Company will be under no obligation to deliver Shares hereunder unless and until it is satisfied as to the authority of the person to exercise the Stock Option and compliance with applicable securities laws. The latest date on which the Stock Option or any portion thereof may be exercised will be the seventh (7th) anniversary of the Date of Grant (the “Final Exercise Date”). Any portion of the Stock Option that remains outstanding and has not been exercised by the Final Exercise Date will thereupon immediately terminate. Upon any earlier termination of Employment, the provisions of Section 6(a)(4)(A)-(F) of the Plan shall apply.

4. Forfeiture; Recovery of Compensation. By accepting the Stock Option the Optionee expressly acknowledges and agrees that his or her rights (and those of any permitted transferee) under the

Stock Option or to any Stock acquired under the Stock Option or any proceeds from the disposition thereof, are subject to Section 6(a)(5) of the Plan (including any successor provision). Nothing in the preceding sentence shall be construed as limiting the general application of Section 9 of this Agreement.

5. Transfer of Stock Option. The Stock Option may not be transferred except at death in accordance with Section 6(a)(3) of the Plan.

6. Certain Tax Matters. The Optionee expressly acknowledges and agrees that the Optionee's rights hereunder, including the right to be issued the Shares (or any portion thereof) upon exercise of the Stock Option, are subject to the Optionee's promptly paying, or in respect of any later requirement of withholding being liable promptly to pay at such time as such withholdings are due, to the Company in cash (or by such other means as may be acceptable to the Administrator in its discretion) all taxes required to be withheld, if any. No Shares will be transferred pursuant to the exercise of the Stock Option unless and until the person exercising the Stock Option has remitted to the Company an amount in cash sufficient to satisfy any federal, state, or local requirements with respect to tax withholdings then due and has committed (and by exercising the Stock Option such person shall be deemed to have committed) to pay in cash all tax withholdings required at any later time in respect of the transfer of such Shares, or has made other arrangements satisfactory to the Administrator with respect to such taxes. The Optionee also authorizes the Company and its subsidiaries to withhold such amounts from any amounts otherwise owed to the Optionee, but nothing in this sentence shall be construed as relieving the Optionee (or any permitted transferee) of any liability for satisfying his or her obligations under the preceding provisions of this Section.

7. Effect on Employment. Neither the grant of the Stock Option, nor the issuance of Shares upon exercise of the Stock Option, will give the Optionee any right to be retained in the employ or service of the Company or any of its subsidiaries, affect any right of the Company or any of its subsidiaries to discharge or discipline the Optionee at any time, or affect any right of the Optionee to terminate his or her Employment at any time.

8. Form S-8 Prospectus. The Optionee acknowledges that he or she has received and reviewed a copy of the prospectus required by Part I of Form S-8 relating to shares of Stock that may be issued under the Plan.

9. Acknowledgments. By accepting the Stock Option, the Optionee agrees to be bound by, and agrees that the Stock Option is subject in all respects to, the terms of the Plan. In the event of a conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan will control. The Optionee further acknowledges and agrees that (i) the signature to this Agreement on behalf of the Company is an electronic signature that will be treated as an original signature for all purposes hereunder and (ii) such electronic signature will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Optionee.

[The remainder of this page is intentionally left blank.]

Executed as of the ____ day of [•], [•].

Company:

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: _____

Name:

Title:

Optionee:

Name:

Address:

Name:	[•]
Number of Restricted Stock Units subject to Award:	[•]
Date of Grant:	[•]

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

2012 OMNIBUS LONG-TERM INCENTIVE PLAN, AS AMENDED AND RESTATED AS OF JUNE 1, 2017

RESTRICTED STOCK UNIT AGREEMENT (DIRECTORS)

This agreement (this “Agreement”) evidences an award (the “Award”) of restricted stock units (the “Restricted Stock Units”) granted by Bright Horizons Family Solutions Inc. (the “Company”) to the undersigned (the “Grantee”) pursuant to the Bright Horizons Family Solutions Inc. 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of June 1, 2017 (as amended from time to time, the “Plan”), which is incorporated herein by reference.

1. Grant of Restricted Stock Units. On the date of grant set forth above (the “Grant Date”) the Company hereby grants to the Grantee an award consisting of the right to receive on the terms provided herein and in the Plan, one share of Stock with respect to each Restricted Stock Unit forming part of the Award, in each case, subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

2. Meaning of Certain Terms. Each initially capitalized term used but not separately defined herein has the meaning assigned to such term in the Plan. The following terms have the following meanings:

- (a) “Act” means the Securities Exchange Act of 1934, as amended.
- (b) “Change of Control” means (i) any Person (other than any direct or indirect wholly-owned subsidiary of the Company) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Act) of securities of the Company representing more than 50% of the combined voting power of the Company’s then-outstanding securities, (ii) the Company is a party to a merger, consolidation sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter, or (iii) individuals who, at the date hereof, constitute the Board (the “Continuing Directors”) cease for any reason to constitute a majority thereof; provided, however, that any director who is not in office at the date hereof but whose election by the Board, or whose nomination for election by the Company’s stockholders, was approved by a vote of at least two-thirds of directors then still in office who were directors at the date hereof or whose election or nomination for election was previously so approved shall be deemed to be a Continuing Director for purposes of this Agreement. Notwithstanding the foregoing provisions of this paragraph, a “Change of Control” will not be deemed to have occurred solely because of the acquisition of the securities of the Company (or any reporting requirement under the Act relating thereto) by an employee benefit plan maintained by the Company or its subsidiaries for its employees, and a “Change of Control” shall only be deemed to occur for purposes of this Agreement if the event also qualifies as a “change in control event” under the Section 1.409A-3(i)(5) of the Treasury Regulations.

(c) “Person” means an individual, a corporation, an association, a partnership, an estate, a trust or other entity or organization (including a “group” as defined in Section 13(d)(3) or 14(d)(2) of the Act), other than the Company or any of its subsidiaries.

3. Vesting. The Award shall be [•].

4. Delivery of Stock. The Award shall be settled on the earliest of (a) the termination of the Grantee’s service as a member of the Board, (b) the fifth anniversary of the Grant Date, and (c) a Change of Control. Subject to the provisions of the Plan, within thirty (30) days of such event, in settlement of the Award, the Company shall deliver to the Grantee a stock certificate for that number of shares of Stock equal to the number of Restricted Stock Units covered by the Award. For purposes of this Section 4, the Grantee will not be deemed to terminate service as a member of the Board unless the Grantee has experienced a “separation from service” as defined in Section 1.409A-1(h) of the Treasury Regulations (after giving effect to the presumptions contained therein) from the Company and from all corporations and trades or businesses, if any, that would be treated as a single “service recipient” with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations.

5. Dividends; Other Rights. The Award shall not be interpreted to bestow upon the Grantee any equity interest or ownership in the Company or any Affiliate prior to the date on which the Company delivers shares of Stock to the Grantee. The Grantee is not entitled to vote any shares of Stock by reason of the granting of the Award or to receive or be credited with any dividends declared and payable on any share of Stock prior to the date on which any such share is delivered to the Grantee hereunder. The Grantee shall have the rights of a shareholder only as to those shares of Stock, if any, that are actually delivered under the Award.

6. Forfeiture; Recovery of Compensation. By accepting the Award the Grantee expressly acknowledges and agrees that his or her rights (and those of any permitted transferee) under the Award or to any Stock acquired under the Award or any proceeds from the disposition thereof, are subject to Section 6(a)(5) of the Plan (including any successor provision). Nothing in the preceding sentence shall be construed as limiting the general application of Section 11 of this Agreement.

7. Nontransferability. Neither the Award nor the Restricted Stock Units may be transferred except at death in accordance with Section 6(a)(3) of the Plan.

8. Certain Tax Matters.

(a) The Grantee expressly acknowledges and agrees that he or she shall be responsible for satisfying and paying all taxes arising from or due in connection with the grant or vesting of the Restricted Stock Units and/or the delivery of any Stock hereunder. The Company shall have no liability or obligation relating to the foregoing.

(b) The Grantee expressly acknowledges that because the Award consists of an unfunded and unsecured promise by the Company to deliver Stock in the future, subject to the terms hereof, it is not possible to make a so-called “83(b) election” with respect to the Award.

9. Effect on Service. Neither the award of the Restricted Stock Units, nor the vesting of the Restricted Stock Units, will give the Grantee any right to be retained in the service of the Company or any of its subsidiaries, affect any right of the Company or any of its subsidiaries to terminate the Grantee’s service at any time, or affect any right of the Grantee to terminate his or her service at any time.

10. Form S-8 Prospectus. The Grantee acknowledges that he or she has received and reviewed a copy of the prospectus required by Part I of Form S-8 relating to shares of Stock that may be issued under the Plan.

11. Acknowledgments. By accepting the Award, the Grantee agrees to be bound by, and agrees that the Award and the Restricted Stock Units are subject in all respects to, the terms of the Plan. In the event of a conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan will control. The Grantee further acknowledges and agrees that (a) the signature to this Agreement on behalf of the Company is an electronic signature that will be treated as an original signature for all purposes hereunder and (b) such electronic signature will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Grantee.

[The remainder of this page is intentionally left blank.]

Executed as of the ____ day of [•], [•].

Company:

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: _____

Name:

Title:

Optionee:

Name:

Address:

Name:	[•]
Number of Shares of Restricted Stock:	[•]
Date of Grant:	[•]
[Per Share Purchase Price:]	[\$•]
[Total Purchase Price:] ¹ Include for purchased restricted stock.	[\$•]

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

2012 OMNIBUS LONG-TERM INCENTIVE PLAN, AS AMENDED AND RESTATED AS OF JUNE 1, 2017

RESTRICTED STOCK AGREEMENT

This agreement (this “Agreement”) evidences the grant of restricted shares of Stock by Bright Horizons Family Solutions Inc. (the “Company”) to the undersigned (the “Grantee”), pursuant to and subject to the terms of the Bright Horizons Family Solutions Inc. 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of June 1, 2017 (as amended from time to time, the “Plan”), which is incorporated herein by reference.

1. Grant of Restricted Stock[: Purchase Price]. The Company hereby grants to the Grantee on the date of grant set forth above (the “Date of Grant”) the number of shares of restricted Stock set forth above (the “Restricted Stock”) on the terms provided herein and in the Plan. [As consideration for the grant of the Restricted Stock, the Grantee agrees to pay to the Company in cash, or by such other means as approved by the Administrator, the amount per share set forth above (the “Per Share Purchase Price,” and, in the aggregate, the “Total Purchase Price”), which Per Share Purchase Price shall equal [•] percent ([•]%) of the fair market value of a share of Stock on the Date of Grant.]²

2. Vesting. The term “vest” as used herein with respect to any share of Restricted Stock means the lapsing of the restrictions described herein with respect to such share. Unless earlier terminated, forfeited, relinquished or expired, the Restricted Stock shall vest in full on the earliest of [•], provided, in each case, that the Grantee has remained in continuous Employment from the Date of Grant through the applicable vesting date.

3. Meaning of Certain Terms. Each initially capitalized term used but not separately defined herein has the meaning assigned to such term in the Plan. The following terms have the following meanings:

- (a) “Act” means the Securities Exchange Act of 1934, as amended.
- (b) “Change of Control” means (i) any Person (other than any direct or indirect wholly-owned subsidiary of the Company) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Act) of securities of the Company representing more than 50% of the combined voting power of the Company’s then-outstanding securities, (ii) the Company is a party to a merger, consolidation sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter, or (iii) individuals who, at the date hereof, constitute the Board (the “Continuing Directors”) cease for any reason to constitute a majority thereof; provided, however, that any director who is

not in office at the date hereof but whose election by the Board, or whose nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds of directors then still in office who were directors at the date hereof or whose election or nomination for election was previously so approved shall be deemed to be a Continuing Director for purposes of this Agreement. Notwithstanding the foregoing provisions of this paragraph, a "Change of Control" will not be deemed to have occurred solely because of the acquisition of the securities of the Company (or any reporting requirement under the Act relating thereto) by an employee benefit plan maintained by the Company or its subsidiaries for its employees.

- (c) "Person" means an individual, a corporation, an association, a partnership, an estate, a trust or other entity or organization (including a "group" as defined in Section 13(d)(3) or 14(d)(2) of the Act), other than the Company or any of its subsidiaries.

4. Forfeiture Risk.

- (a) [If the Grantee's Employment ceases for any reason, other than as a result of the Grantee's death or a termination of the Grantee's Employment by reason of his or her Disability, any and all then outstanding and unvested Restricted Stock shall automatically and immediately be forfeited with no consideration due to the Grantee.]³
- (a) [If the Grantee's Employment ceases for any reason (each, a "Qualifying Termination"), other than as a result of the Grantee's death or a termination of the Grantee's Employment by reason of his or her Disability, the Company shall have the right to repurchase (the "Repurchase Option") at one or more times any and all then outstanding and unvested Restricted Stock acquired by the Grantee hereunder (the "Qualifying Restricted Stock") during the one (1)-year period beginning on the date of the Qualifying Termination (the "Repurchase Period") at a price per share of Qualifying Restricted Stock equal to the lesser of (x) the fair market value of a share of Stock on the date of repurchase and (y) the Per Share Purchase Price. Any Qualifying Restricted Stock not repurchased by the Company as of the end of the Repurchase Period shall automatically and immediately be forfeited at such time with no consideration due to the Grantee. The Company may exercise the Repurchase Option by delivering personally or by registered mail to the Grantee (or the Grantee's legal representative or permitted transferee, as the case may be) a written notice indicating the Company's intention to exercise the Repurchase Option and the number of Qualifying Restricted Stock so repurchased, together with a check in the amount of the aggregate repurchase price. Upon delivery of such notice and payment of the aggregate repurchase price with respect to the Qualifying Restricted Stock so repurchased, the Company shall become the legal and beneficial owner of the shares of Qualifying Restricted Stock being repurchased and the rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the number of shares of Qualifying Restricted Stock being repurchased by the Company.]⁴
- (b) The Grantee hereby (i) appoints the Company as his or her attorney-in-fact to take such actions as may be necessary or appropriate to effectuate a transfer of the record ownership of any such shares that are unvested and forfeited as contemplated by this Section 4, (ii) agrees to deliver to the Company, as a precondition to the issuance of any certificate or certificates with respect to unvested Restricted Stock hereunder, one or more stock powers, endorsed in blank, with respect to such shares, and (iii) agrees to sign such other powers

and take such other actions as the Company may reasonably request to accomplish the transfer or forfeiture of any unvested Restricted Stock as contemplated by this Section 4.

5. Retention of Certificates, etc. Any certificates representing unvested Restricted Stock shall be held by the Company. If unvested Restricted Stock is held in book entry form, the Grantee agrees that the Company may give stop transfer instructions to the depository to ensure compliance with the provisions hereof.

6. Legend. All certificates representing unvested Restricted Stock shall contain a legend substantially in the following form:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) OF THE BRIGHT HORIZONS FAMILY SOLUTIONS INC. 2012 OMNIBUS LONG-TERM INCENTIVE PLAN, AS AMENDED AND RESTATED AS OF JUNE 1, 2017, AND A RESTRICTED STOCK AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER AND BRIGHT HORIZONS FAMILY SOLUTIONS INC. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE IN THE OFFICES OF BRIGHT HORIZONS FAMILY SOLUTIONS INC.

As soon as practicable following the vesting of any such Restricted Stock the Company shall cause a certificate or certificates covering such shares, without the aforesaid legend, to be issued and delivered to the Grantee. If any shares of Restricted Stock or Stock are held in book-entry form, the Company may take such steps as it deems necessary or appropriate to record and manifest the restrictions applicable to such shares.

7. Dividends, etc. The Grantee shall be entitled to (a) receive any and all dividends or other distributions paid with respect to those shares of Stock of which he or she is the record owner on the record date for such dividend or other distribution, and (b) vote any shares of Stock of which he or she is the record owner on the record date for such vote; provided, however, that any property (other than cash) distributed with respect to a share of Stock (the “associated share”) acquired hereunder, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, or a distribution of other securities with respect to an associated share, shall be subject to the restrictions of this Agreement in the same manner and for so long as the associated share remains subject to such restrictions, and shall be promptly forfeited if and when the associated share is so forfeited; and provided, further, that any cash distribution with respect to the shares of Stock shall be made subject to the restrictions of this Agreement in the same manner and for so long as the associated share remains subject to such restrictions. References in this Section 7 to Stock shall refer, *mutatis mutandis*, to any shares of Restricted Stock.

8. Sale of Vested Stock. The Grantee understands that he or she will be free to sell any share of Restricted Stock once it has vested, subject to (a) satisfaction of any applicable tax withholding requirements with respect to the vesting or transfer of such share, (b) the completion of any administrative steps (for example, but without limitation, the transfer of certificates) that the Company may reasonably impose, and (c) applicable requirements of federal and state securities laws. Shares of unvested Restricted Stock may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of, except as the Administrator may provide.

9. Certain Tax Matters. The Grantee expressly acknowledges the following:

- (a) The Grantee has been advised to confer promptly with a professional tax advisor to consider whether he or she should make a so-called “83(b) election” with respect to the Restricted Stock. Any such election, to be effective, must be made in accordance with applicable regulations and within thirty (30) days following the Date of Grant. The Company has made no recommendation to the Grantee with respect to the advisability of making such an election.
- (b) If the Grantee decides to make an “83(b) election,” the Grantee agrees to execute and deliver to the Company a copy of the Acknowledgement and Statement of Decision Regarding Election Pursuant to Section 83(b) of the Code, substantially in the form attached hereto as Exhibit A, together with a copy of the Election Pursuant to Section 83(b) of the Code (the “Election Form”), substantially in the form attached hereto as Exhibit B. The Election Form shall be filed by the Grantee with the appropriate Internal Revenue Service office no later than thirty (30) days after the Date of Grant. The Grantee should consult with his or her tax advisor to determine if there is a comparable election to file in the state of his or her residence and whether such a filing is desirable under the circumstances.
- (c) The award or vesting of the Restricted Stock acquired hereunder, and the payment of dividends with respect to such shares, may give rise to “wages” subject to withholding. The Grantee expressly acknowledges and agrees that his or her rights hereunder are subject to the Grantee promptly paying to the Company in cash (or by such other means as may be acceptable to the Company in its discretion, including, if the Administrator so determines, by the delivery of previously acquired shares of Stock or shares of Stock acquired hereunder or by the withholding of amounts from any payment hereunder) all taxes required to be withheld in connection with such award, vesting or payment.

10. Forfeiture/Recovery of Compensation. By accepting the Restricted Stock the Grantee expressly acknowledges and agrees that his or her rights under the Restricted Stock, and those of any permitted transferee of the Restricted Stock or of any Stock received following the vesting of the Restricted Stock or proceeds from the disposition thereof, are subject to Section 6(a)(5) of the Plan (including any successor provision). Nothing in the preceding sentence shall be construed as limiting the general application of Section 13 of this Agreement.

11. Effect on Employment. Neither the award of the Restricted Stock, nor the vesting of the Restricted Stock, will give the Grantee any right to be retained in the employ or service of the Company or any of its subsidiaries, affect any right of the Company or any of its subsidiaries to discharge or discipline the Grantee at any time, or affect any right of the Grantee to terminate his or her Employment at any time.

12. Form S-8 Prospectus. The Grantee acknowledges that he or she has received and reviewed a copy of the prospectus required by Part I of Form S-8 relating to shares of Stock that may be issued under the Plan.

13. Acknowledgments. By accepting the Award, the Grantee agrees to be bound by, and agrees that the Award is subject in all respects to, the terms of the Plan. In the event of a conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan will control. The Grantee further acknowledges and agrees that (i) the signature to this Agreement on behalf of the Company is an electronic signature that will be treated as an original signature for all purposes hereunder, and (ii) such

electronic signature will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Grantee.

-
- 1 Include for purchased restricted stock.
 - 2 Include for purchased restricted stock.
 - 3 Include for restricted stock granted at no cost.
 - 4 Include for purchased restricted stock.

[The remainder of this page is intentionally left blank]

Executed as of the ____ day of [•], [•].

Company:

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: _____

Name:

Title:

Grantee:

Name:

Address:

EXHIBIT A

ACKNOWLEDGMENT AND STATEMENT OF DECISION REGARDING ELECTION
PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned, a grantee of restricted shares of common stock (the "Restricted Stock") of Bright Horizons Family Solutions Inc., a Delaware corporation (the "Company"), [for cash] pursuant to a Restricted Stock Agreement, dated as of [•], between the undersigned and the Company (the "Restricted Stock Agreement"), hereby states, as of the date of grant of the Restricted Stock, as follows:

1. The undersigned acknowledges receipt of a copy of the Restricted Stock Agreement. The undersigned has carefully reviewed the Restricted Stock Agreement.

2. The undersigned either [*check as applicable*]:

____ (a) has consulted, and has been fully advised by, the undersigned's own tax advisor, _____, whose business address is _____, regarding the federal, state and local tax consequences of the grant of the Restricted Stock under the Restricted Stock Agreement, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to the corresponding provisions, if any, of applicable state laws; or

____ (b) has knowingly chosen not to consult such tax advisor.

3. The undersigned hereby states that the undersigned has decided to make an election pursuant to Section 83(b) of the Code and is submitting to the Company together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form which is attached as Exhibit B to the Restricted Stock Agreement.

4. Neither the Company nor a representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the grant of the Restricted Stock pursuant to the Restricted Stock Agreement or of the making or failure to make an election pursuant to Section 83(b) of the Code or corresponding provisions, if any, of applicable state law.

5. The undersigned is also submitting to the Company, together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form, if an election is made, by the undersigned pursuant to provisions of state law corresponding to Section 83(b) of the Code, if any, that apply to the grant of the Restricted Stock to the undersigned.

Date: _____

Grantee

EXHIBIT B

ELECTION PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the property described below over the amount paid for such property.

1. The name, taxpayer identification number, address of the undersigned, and the taxable year for which this election is being made are:

Taxpayer's Name:

Taxpayer's Social Security Number:

Address:

Taxable Year: Calendar Year [2017]

2. The property that is the subject of this election is unvested shares of common stock (the "Unvested Award") of Bright Horizons Family Solutions Inc., a Delaware corporation (the "Company"), representing restricted shares of common stock of the Company ("Restricted Shares").

3. The Unvested Award was transferred to the undersigned on .

4. [The Unvested Award is subject to the following restrictions: (a) restrictions on vesting based on continued service through the applicable vesting date, (b) forfeiture for no consideration in the event of the undersigned's termination of employment with the Company or an affiliate for any reason other than death or by the Company (or the applicable affiliate) due to the undersigned's disability, and (c) restrictions should the undersigned wish to transfer the Unvested Award (in whole or in part).]⁵

[The Unvested Award is subject to the following restrictions: (a) restrictions on vesting based on continued service through the applicable vesting date, (b) for a specified period following the undersigned's termination of employment with the Company or an affiliate for any reason other than death or by the Company (or the applicable affiliate) due to the undersigned's disability, the Restricted Shares, to the extent unvested, are subject to being repurchased at the lower of fair market value and original cost and (c) restrictions should the undersigned wish to transfer the Unvested Award (in whole or in part).]⁶

5. The fair market value of the Unvested Award at the time of transfer (determined without regard to any restrictions other than a nonlapse restriction as defined in Section 1.83-3(h) of the Income Tax Regulations) is \$.

6. For the Unvested Award transferred, the undersigned paid \$.

7. The amount to include in gross income is \$.

5 Include for restricted stock granted at no cost.

6 Include for purchased restricted stock.

The undersigned taxpayer will file this election with the Internal Revenue Service office with which taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. A copy of the election also will be furnished to the person for whom the services were performed. The undersigned is the person performing the services in connection with which the property was transferred.

Date: _____
_____ **Taxpayer**

AMENDMENT AGREEMENT

This AMENDMENT AGREEMENT, dated as of May 8, 2017 (this “**Agreement**”), is entered into by and among BRIGHT HORIZONS FAMILY SOLUTIONS LLC, a Delaware limited liability company (the “**Borrower**”), BRIGHT HORIZONS CAPITAL CORP., a Delaware corporation (“**Holdings**”), JPMORGAN CHASE BANK, N.A. (“**JPMCB**”), as administrative agent (in such capacity, the “**Administrative Agent**”) and L/C Issuer, each Existing Lender referred to below who has delivered signature pages hereto and each financial institution identified on the signature pages hereto as a “New Lender” (the “**New Lenders**”), amends the Credit Agreement, dated as of January 30, 2013, by and among the Borrower, Holdings, JPMCB, as Administrative Agent and L/C Issuer, the lenders party thereto (the “**Existing Lenders**”) and the other parties party thereto from time to time (as amended and restated as of November 7, 2016, the “**Existing Credit Agreement**”). The Existing Credit Agreement as amended by this Agreement is referred to herein as the “**Amended Credit Agreement**”. Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to such terms in the Existing Credit Agreement.

WITNESSETH:

WHEREAS, pursuant to the Existing Credit Agreement, the Term Lenders have made Term B Loans (such loans outstanding immediately prior to the effectiveness of this Agreement, collectively, the “**Existing Term Loans**”) to the Borrower;

WHEREAS, pursuant to the Existing Credit Agreement, the Revolving Credit Lenders have made Revolving Credit Loans (such loans outstanding immediately prior to the effectiveness of this Agreement, collectively, the “**Existing Revolving Credit Loans**”) and have made the Revolving Credit Commitments (such commitments outstanding immediately prior to the effectiveness of this Agreement, the “**Existing Revolving Credit Commitments**”) to the Borrower;

WHEREAS, in accordance with Section 2.17 of the Existing Credit Agreement, the Borrower has requested that (a) the persons listed on Schedule 1 hereto (the “**Refinancing Term Lenders**”) commit to provide Other Term Loans in the amounts set forth opposite such Refinancing Term Lender’s name on Schedule 1 and (b) the persons listed on Schedule 2 hereto (the “**Refinancing Revolving Lenders**”) and, together with the Refinancing Term Lenders, the “**Refinancing Lenders**”) commit to provide Other Revolving Credit Loans and Other Revolving Credit Commitments, in each case the amounts set forth opposite such Refinancing Revolving Lender’s name on Schedule 2 and JPMCB, as Administrative Agent and L/C Issuer has approved of each New Lender;

WHEREAS, (i) the proceeds of the Other Term Loans will be used to prepay in full the Existing Term Loans, (ii) the proceeds of the Other Revolving Credit Loans borrowed on the date hereof will be used to prepay in full the Existing Revolving Credit Loans, (iii) cash on hand of the Borrower will be used to pay all accrued and unpaid interest on the Existing Term Loans and Existing Revolving Credit Loans and all related fees and expenses;

WHEREAS, the Refinancing Term Lenders are willing to provide the Other Term Loans to the Borrower, and the Refinancing Revolving Lenders are willing to provide the Other Revolving Credit Loans and Other Revolving Credit Commitments to the Borrower, in each case pursuant to the terms and subject to the conditions set forth herein;

WHEREAS, the Borrower has requested that, immediately after the making of the Other Revolving Credit Loans and the Other Revolving Credit Commitments, the Existing Credit Agreement be amended to provide, among other things, for the modification of Section 7.11 of the Existing Credit Agreement as set forth herein; and

WHEREAS, with respect to such Other Term Loans, Other Revolving Credit Loans and Other Revolving Credit Commitments, JPMCB, Barclays Bank PLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated have been appointed to act as joint lead arrangers and joint bookrunners (collectively, the “**Arrangers**”).

NOW, THEREFORE, in consideration of the premises and the covenants and obligations contained herein, the parties hereto agree as follows:

SECTION 1. Refinancing Amendment.

(a) This Section 1 and Section 2 hereto constitute a “Refinancing Amendment” pursuant to which (i) each Refinancing Term Lender commits to make, severally but not jointly, to the Borrower Other Term Loans on the Effective Date in a principal amount equal to the amount set forth opposite such Refinancing Term Lender’s name under the heading “Other Term Loans” on Schedule 1 hereto (each, an “**Other Term Loan Commitment**”) and (ii) each Refinancing Revolving Lender commits to make, severally but not jointly, to the Borrower Other Revolving Credit Commitments on the Effective Date in a principal amount equal to the amount set forth opposite such Refinancing Revolving Lender’s name under the heading “Other Revolving Credit Commitments” on Schedule 2 hereto. Each of the parties hereto agrees that, after giving effect to this Agreement, the Revolving Credit Commitment of each Revolving Credit Lender (as of the Effective Date) shall be as set forth on Schedule 2 hereto. The aggregate principal amount of the Other Term Loan Commitments of all Refinancing Term Lenders as of the date of this Agreement is \$1,072,312,500. The aggregate principal amount of the Other Revolving Credit Commitments of all Refinancing Revolving Lenders as of the date of this Agreement is \$225,000,000. Unless previously terminated, the Other Term Loan Commitments shall terminate at 5:00 p.m., New York City time, on the date of initial funding of the Other Term Loans.

(b) Other Term Loans borrowed under this Section 1 and repaid or prepaid may not be reborrowed. Other Term Loans and Other Revolving Credit Loans may be Base Rate Loans or Eurocurrency Rate Loans, as further provided in the Existing Credit Agreement and the Amended Credit Agreement.

(c) The Borrower shall use (i) the proceeds of the Other Term Loans to prepay in full, on the Effective Date, the outstanding principal amount of the Existing Term Loans, (ii) the proceeds of the Other Revolving Credit Loans to be made on the Effective Date to prepay in full, on the Effective Date, the outstanding principal amount of the Existing Revolving Credit Loans, and (iii) cash on hand to pay (A) all accrued but unpaid interest and fees on the Existing Term Loans and Existing Revolving Credit Loans and (B) all fees, costs and expenses incurred or payable by the Borrower in connection with the foregoing and with the execution and delivery of this Agreement by each person party hereto, the satisfaction and/or waiver of the conditions to the effectiveness hereof and the consummation of the transactions contemplated hereby (including the borrowing of the Other Term Loans and the Other Revolving Credit Loans).

(d) Notwithstanding anything herein (including Sections 1(a) and 1(c) hereof) or in the Existing Credit Agreement to the contrary, (i) each Refinancing Term Lender holding an Existing Term Loan immediately prior to the Effective Date (each such Refinancing Term Lender, an “**Existing Term Lender**”) that, by executing and delivering a signature page hereto, elects “cashless roll” treatment shall be deemed to have made to the Borrower an Other Term Loan on the Effective Date in an amount (such Existing Term Lender’s “**Cashless Roll Term Amount**”) equal to the lesser of (A) the aggregate principal amount of the Existing Term Loan held by such Existing Term Lender immediately prior to the Effective Date (such Existing Lender’s “**Existing Term Loan Amount**”) and (B) such Existing Term Lender’s Other Term Loan Commitment; provided that if such Existing Term Lender’s Other Term Loan Commitment exceeds such Existing Lender’s Existing Term Loan Amount, then such Existing Term Lender shall be required to make an Other Term Loan to the Borrower on the Effective Date in accordance with Section 1(a) hereof in an aggregate principal amount equal to such excess, and (ii) the Borrower shall be deemed to have prepaid, on the Effective Date, an amount of the Existing Term Loan of each Existing Lender in an aggregate principal amount equal to the lesser of (A) such Existing Term Lender’s Existing Term Loan Amount and (B) such Existing Term Lender’s Other Term Loan Commitment; provided that (1) if such Existing Term Lender’s Existing Term Loan Amount exceeds such Existing Term Lender’s Other Term Loan Commitment, then the Borrower shall be required to prepay in full, on the Effective Date in accordance with Section 1(c) hereof, the outstanding principal amount of the Existing Term Loan of such Existing Term Lender not deemed to be prepaid pursuant to this clause (ii) and (2) notwithstanding the operation of this clause (ii), the Borrower shall be required to pay to such Existing Term Lender, on the Effective Date, all accrued but unpaid interest and fees on the outstanding principal amount of the Existing Term Loans of such Existing Term Lender immediately prior to the Effective Date.

(e) Each of the parties hereto agrees that after giving effect to this Agreement, the Revolving Credit Commitments under the Credit Agreement shall be as set forth on Schedule 2 hereto and shall replace the Existing Revolving Credit Commitments. In connection with this Agreement, the Existing Revolving Credit Loans shall be, or deemed to be, repaid in full on the Effective Date, together with all accrued and unpaid interest thereon and all related fees and expenses, and concurrently with such prepayment, new Revolving Credit Loans will be made by, or reallocated to, the Refinancing Revolving Lenders party hereto in an aggregate principal amount equal to the Existing Revolving Credit Loans, based on each such Refinancing Revolving Lender's new Revolving Credit Commitments on Schedule 2 hereto.

(f) Each of the parties hereto agrees that after giving effect to this Agreement, each Letter of Credit issued under the Existing Credit Agreement on or prior to the Effective Date shall be deemed to constitute a Letter of Credit issued under the Amended Credit Agreement and the Revolving Credit Lender that is an issuer of such Letter of Credit shall be deemed to be an L/C Issuer for such Letter of Credit; provided that any renewal or replacement of any such Letter of Credit shall be issued by an L/C Issuer pursuant to the terms of the Amended Credit Agreement.

(g) Each of the parties hereto agrees that no amounts shall be due under Section 3.05 of the Existing Credit Agreement in respect of the transactions set forth in this Section 1.

SECTION 2. *Refinancing Amendments to Existing Credit Agreement*

(a) The following defined terms shall be added to Section 1.01 of the Existing Credit Agreement in the appropriate alphabetical order:

“**New Commitment**” has the meaning specified in Section 2.10(d).

“**Refinancing Amendment Agreement**” means the Amendment Agreement, dated as of May 8, 2017, by and among the Borrower, Holdings, the Administrative Agent and the Lenders party thereto.

“**Refinancing Amendment Effective Date**” means May 8, 2017.

“**Rolled Commitment**” has the meaning specified in Section 2.10(d).

(b) The definition of “Applicable Rate” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by:

(i) replacing clause (a) thereof in its entirety with the text “with respect to Term B Loans, (A) for Eurocurrency Rate Loans, 2.25% and (B) for Base Rate Loans, 1.25%”;

(ii) replacing clause (b) thereof in its entirety with the following text:

“with respect to unused Revolving Credit Commitments and the commitment fee therefor, (i) until delivery of financial statements for the first full fiscal quarter of the Borrower ending after the Refinancing Amendment Effective Date, 0.40%, and (ii) thereafter, the percentages per annum set forth in the table below, based upon the Consolidated First Lien Net Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Pricing Level	Consolidated First Lien Net Leverage Ratio	Commitment Fee for unused Revolving Credit Commitments
1	Greater than 3.00:1.00	0.40%
2	Greater than 2.00:1.00 but less than or equal to 3:00:1:00	0.35%
3	Less than or equal to 2.00:1.00	0.30%”; and

(iii) replacing clause (c) thereof in its entirety with the following text:

“with respect to Revolving Credit Loans and Letter of Credit fees (i) prior to delivery of financial statements for the first full fiscal quarter of the Borrower ending after the Refinancing Amendment Effective Date, (A) for Eurocurrency Rate Loans, 2.25%, (B) for Base Rate Loans, 1.25% and (C) for Letter of Credit fees, 2.25% and (ii) thereafter, the following percentages per annum set forth in the table below, based upon the Consolidated First Lien Net Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Pricing Level	Consolidated First Lien Net Leverage Ratio	Eurocurrency Rate for Revolving Credit Loans and Letter of Credit fees	Base Rate for Revolving Credit Loans
1	Greater than 3.00:1.00	2.25%	1.25%
2	Greater than 2.00:1.00 but less than or equal to 3.00:1.00	2.00%	1.00%
3	Equal to or less than 2.00:1.00	1.75%	0.75%

(c) The definition of “Eurocurrency Rate” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by replacing the proviso at the end of such definition in its entirety with the following text: “provided that the Eurocurrency Rate will be deemed not to be less than (i) with respect to Term B Loans, 0.75% per annum (the “**LIBOR Floor**”) and (ii) with respect to Revolving Credit Loans, 0.00% per annum.”

(d) The definition of “Maturity Date” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by replacing the date “July 31, 2019” in clause (a) thereof with the date “July 31, 2022”.

(e) Section 1.01 of the Existing Credit Agreement is hereby amended by deleting the definition of Compliance Event.

(f) Section 1.11(a) of the Existing Credit Agreement is hereby amended by:

(i) amending and replacing the text “(it being understood that for purposes of determining pro forma compliance with Section 7.11, if no Test Period with an applicable level cited in Section 7.11 has passed, the applicable level shall be the level for the first Test Period cited in Section 7.11 with an indicated level)” in such Section with the text “(it being understood that for purposes of determining pro forma compliance with Section 7.11, if (i) no Test Period with an applicable level cited in Section 7.11 has passed, the applicable level shall be the level for the first Test Period cited in Section 7.11 with an indicated level and (ii) all Test Periods with an applicable level cited in Section 7.11 have passed, the applicable level shall be the level for the last Test Period cited in Section 7.11 with an indicated level)”;

(ii) deleting the last sentence of such Section.

(g) Section 2.06(a) of the Existing Credit Agreement is hereby amended by replacing the text “Amendment and Restatement Effective Date” in the last sentence thereof with the text “Refinancing Amendment Effective Date”.

(h) Section 2.08(a) of the Existing Credit Agreement is hereby amended and restated in its entirety with the following text:

“(a) The Borrower shall repay to the Administrative Agent for the ratable account of the Term B Lenders (A) on the last Business Day of each March, June, September and December, commencing with the last Business Day of September, 2017, an aggregate amount equal to 0.25% of the aggregate principal amount of all Term B Loans (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.06 and

Section 10.07(n) and (B) on the Maturity Date for the Term B Loans, the aggregate principal amount of all Term B Loans outstanding on such date.”

(i) Section 2.10(b) of the Existing Credit Agreement is hereby amended by replacing the text “Amendment and Restatement Effective Date” with the text “Refinancing Amendment Effective Date”.

(j) Section 2.10(d) of the Existing Credit Agreement is hereby amended and restated in its entirety with the following text:

“(d) The Borrower agrees to pay on the Refinancing Amendment Effective Date to each Revolving Credit Lender a closing fee (i) with respect to Other Revolving Credit Commitments by Existing Lenders (as defined in the Refinancing Amendment Agreement) in an amount equal to 0.25% of the lesser of (x) such Revolving Credit Lender’s Revolving Credit Commitments under the Existing Credit Agreement (as defined in the Refinancing Amendment Agreement) and (y) such Revolving Credit Lender’s Other Revolving Credit Commitments (such commitment, a “**Rolled Commitment**”) and (ii) with respect to Other Revolving Credit Commitments by (A) Revolving Credit Lenders that were not lenders under the Existing Credit Agreement or (B) Lenders who were lenders under the Existing Credit Agreement but only to the extent the Other Revolving Credit Commitment of such Lender exceed its Rolled Commitment (each, a “**New Commitment**”), 0.375% of the amount of such Revolving Credit Lender’s New Commitment. Such closing fees shall be in all respects fully earned, due and payable on the Refinancing Amendment Effective Date and non-refundable and non-creditable for any reason whatsoever thereafter.”

(k) Subject to the terms and conditions set forth herein and in the Existing Credit Agreement, on the Effective Date, (i) the term “Term B Loans” and “Effective Date Term B Loans” shall be deemed to refer to the Other Term Loans made pursuant to this Agreement, (ii) the term “Revolving Credit Commitment” shall be deemed to refer to the Other Revolving Credit Commitments made pursuant to this Agreement, (iii) the term “Revolving Credit Loans” shall be deemed to include the Other Revolving Credit Loans made pursuant to this Agreement, (iv) the Refinancing Term Lenders shall have all of the rights and obligations of a “Term B Lender”, an “Effective Date Term B Lender” and a “Lender” as set forth therein and (v) the Refinancing Revolving Lenders shall have all of the rights and obligations of a “Revolving Credit Lender” and a “Lender” as set forth therein.

(l) Each Refinancing Lender, by delivering its signature page to this Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be approved by any Agent, the Required Lenders or any other Lenders, as applicable, on the Effective Date (and after giving effect to the amendment of the Existing Credit Agreement).

SECTION 3. Other Amendments to Existing Credit Agreement. Effective immediately following the transactions contemplated by Sections 1 and 2 hereof:

(a) the Borrower and the Refinancing Revolving Lenders, which constitute the Required Facility Lenders, agree that Section 7.11 of the Existing Credit Agreement is hereby amended by (i) deleting the text “Upon each Compliance Event,” and capitalizing the word “permit” in the first sentence thereof and (ii) replacing the table set forth therein with the following table:

Fiscal Year	March 31	June 30	September 30	December 31
2017	N/A	5.00:1.00	5.00:1.00	5.00:1.00
2018	5.00:1.00	4.75:1.00	4.75:1.00	4.75:1.00
2019	4.75:1.00	4.75:1.00	4.75:1.00	4.75:1.00
2020	4.75:1.00	4.50:1.00	4.50:1.00	4.50:1.00
2021	4.50:1.00	4.25:1.00	4.25:1.00	4.25:1.00
2022	4.25:1.00	4.25:1.00	N/A	N/A

(b) the Borrower and the Refinancing Lenders, which constitute the Required Lenders, agree that for all purposes under the Amended Credit Agreement references to the Financial Covenant shall mean the Financial Covenant, as amended by this Agreement, including for purposes of determining Pro Forma Compliance with the Financial Covenant as a condition to taking an action under the Amended Credit Agreement.

SECTION 4. *Conditions Precedent to the Effectiveness of the Agreement*

(a) This Agreement shall become effective on the date when each of the following conditions precedent shall have been satisfied or waived (the “**Effective Date**”):

(i) The Administrative Agent shall have received from the Borrower a prepayment notice and a Committed Loan Notice pursuant to the terms of the Existing Credit Agreement;

(ii) The Administrative Agent shall have received each of the following, each dated the Effective Date:

(1) (i) this Agreement, duly executed by the Borrower, JPMCB in its capacity as the Administrative Agent and L/C Issuer and the Refinancing Lenders and (ii) a Term Note and/or Revolving Credit Note, executed by the Borrower in favor of each Refinancing Lender that has requested a Term Note and/or Revolving Note at least three (3) Business Days in advance of the Effective Date;

(2) a written opinion of Ropes & Gray LLP, counsel for the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent;

(3) certificates of good standings from the applicable secretary of state of the state of organization of each Loan Party, certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party on the Effective Date;

(4) the Reaffirmation Agreement, duly executed by each Loan Party in the form attached hereto as Exhibit A;

(5) a certificate attesting to the Solvency of the Borrower and its Restricted Subsidiaries (taken as a whole) on the Effective Date after giving effect to the transactions contemplated by this Agreement, including the making of the Other Term Loans and the Other Revolving Credit Loans and the application of the proceeds therefrom, from the chief financial officer of the Borrower; and

(6) a certificate of a Responsible Officer of the Borrower certifying as to the matters specified in Section 5 (Representations and Warranties) and clauses (a)(iii) and (a)(iv) below;

(iii) no Default or Event of Default shall exist or would exist after giving effect to this Agreement, including from the making of the Other Term Loans and the Other Revolving Credit Loans and the application of the proceeds therefrom;

(iv) the representations and warranties of each Loan Party set forth in Article V of the Existing Credit Agreement and in each other Loan Document shall be true and correct in all material respects on and as of the Effective Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date; provided that any representation and warranty that is qualified as to “materiality”, “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates;

(v) the Borrower shall have paid: (i) all amounts referred to in Section 6 (Fees and Expenses) of this Agreement that have been invoiced to the Borrower at least three (3) Business Days prior to the Effective Date (or as otherwise reasonably agreed by the Borrower), and (ii) to each Refinancing Lender, the closing fee set forth in Section 2.10(d) of the Existing Credit Agreement, as amended by Section 2(g) above; and

(vi) the Borrower shall have provided to the Administrative Agent at least three (3) days prior to the Effective Date (or such shorter period as the Administrative Agent may agree in its sole discretion), all documentation and other information about the Borrower and the Guarantors required under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act, that has been requested by the Administrative Agent at least six (6) Business Days prior to the Effective Date.

The Administrative Agent shall notify the Borrower, the Existing Lenders and the Refinancing Lenders of the Effective Date and such notice shall be conclusive and binding.

SECTION 5. *Representations and Warranties*

On and as of the Effective Date, the Borrower hereby represents and warrants that (a) this Agreement has been duly authorized, executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to Debtor Relief Laws and general principles of equity (whether considered in a proceeding in equity or law) and an implied covenant of good faith and fair dealing, and the Existing Credit Agreement (as amended by this Agreement) constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to Debtor Relief Laws and general principles of equity (whether considered in a proceeding in equity or law) and an implied covenant of good faith and fair dealing, (b) no Default or Event of Default shall exist or would exist after giving effect to this Agreement, including from the making of the Other Term Loans and the Other Revolving Credit Loans on the date hereof and the application of the proceeds therefrom.

SECTION 6. *Fees and Expenses*

The Borrower shall pay (a) in accordance with the terms of Section 10.04 of the Existing Credit Agreement all costs and expenses of the Administrative Agent in connection with the preparation, negotiation, syndication, execution and delivery of this Agreement (including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto) and (b) any other fees separately agreed between the Borrower and any of the Arrangers.

SECTION 7. *Reallocation and Reference to the Effect on the Loan Documents*

(a) As of the Effective Date, (i) each reference in the Existing Credit Agreement to “*this Agreement*,” “*hereunder*,” “*hereof*,” “*herein*,” or words of like import, and each reference in the other Loan Documents to the Credit Agreement (including, without limitation, by means of words like “*thereunder*,” “*thereof*” and words of like import), shall mean and be a reference to the Amended Credit Agreement, (ii) each Person executing this Agreement in its capacity as a Refinancing Term Lender shall become a “Lender”, a “Term Lender” and a “Term B Lender” under the Existing Credit Agreement for all purposes of the Existing Credit Agreement and the other Loan Documents and shall be bound by the provisions of the Existing Credit Agreement (as amended by this Agreement) as a Lender holding Term B Loans, (iii) each Person executing this Agreement in its capacity as a Refinancing Revolving Lender shall become a “Lender” and a “Revolving Credit Lender” under the Existing Credit Agreement for all purposes of the Existing Credit Agreement and the other Loan Documents and shall be bound by the provisions of the Existing Credit Agreement (as amended by this Agreement) as a Lender holding Revolving Credit Commitments and Revolving Credit Loans.

(b) The Borrower hereby reaffirms all its liens and other obligations granted or incurred pursuant to the Loan Documents, all of which liens and obligations shall remain in full force and effect (as amended and otherwise expressly modified by this Agreement).

(c) Except as expressly amended hereby or specifically waived above, all of the terms and provisions of the Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

(d) The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lenders or the Administrative Agent under any of the Loan Documents, nor constitute a waiver or amendment of any other provision of any of the Loan Documents or for any purpose except as expressly set forth herein.

(e) This Agreement is a Loan Document.

SECTION 8. *Execution in Counterparts*

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed counterpart by telecopy, .pdf or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9. *FATCA Treatment*

For purposes of determining withholding Taxes imposed under FATCA, from and after the Effective Date, the Borrower and the Administrative Agent shall treat (and the Refinancing Lenders hereby authorize the Administrative Agent to treat) the Other Term Loans, Other Revolving Credit Loans and Other Revolving Credit Commitments as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

SECTION 10. *Governing Law*

This Agreement shall be governed by and construed in accordance with the law of the State of New York.

SECTION 11. *Section Titles*

The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto, except when used to reference a section. Any reference to the number of a clause, sub-clause or subsection of any Loan Document immediately followed by a reference in parenthesis to the title of the section of such Loan Document containing such clause, sub-clause or subsection is a reference to such clause, sub-clause or subsection and not to the entire section; provided, however, that, in case of direct conflict between the reference to the title and the reference to the number of such section, the reference to the title shall govern absent manifest error.

SECTION 12. *Notices*

All communications and notices hereunder shall be given as provided in the Existing Credit Agreement.

SECTION 13. *Severability*

In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 14. *Successors*

The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns permitted by the Existing Credit Agreement.

SECTION 15. *Waiver of Jury Trial*

EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AMENDMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AMENDMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 15 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

[SIGNATURE PAGES FOLLOW]

In Witness Whereof, the parties hereto have caused this Agreement to be executed by their respective officers, as of the date first written above.

Signature Pages on file with the Administrative Agent

[By executing this signature page, the signing institution agrees to “cashless roll” treatment of its existing Term Loans pursuant to Section 1(d) of the Amendment Agreement.]

Commitments

Other Term Loans

On file with the Administrative Agent

Commitments

Other Revolving Credit Loans

On file with the Administrative Agent

REAFFIRMATION AGREEMENT

Each of the undersigned hereby acknowledges the terms of the Amendment Agreement, dated as of the date hereof (the “**Agreement**”), which amends the Credit Agreement, dated as of January 30, 2013 (as amended and restated as of November 7, 2016, the “**Existing Credit Agreement**” and, as amended by the Agreement, the “**Amended Credit Agreement**”; capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Existing Credit Agreement), by and among the Borrower, BRIGHT HORIZONS CAPITAL CORP., a Delaware corporation (“**Holdings**”), JPMORGAN CHASE BANK, N.A., as Administrative Agent and L/C Issuer, the Lenders and the other parties party thereto from time to time) and consents to the terms of the Agreement, including the transactions contemplated thereby, and the Amended Credit Agreement and the transactions contemplated thereby. Each of the undersigned hereby further (a) affirms and confirms its respective guarantees, obligations, liabilities and liens granted or incurred by it under the Loan Documents and (b) agrees that, notwithstanding the effectiveness of the Agreement and the transactions contemplated thereby, each such guarantees, obligations, liabilities and liens shall continue to be in full force and effect in accordance with the terms thereof.

This acknowledgment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed counterpart by telecopy, .pdf or other electronic transmission shall be effective as delivery of a manually executed counterpart of this consent.

The terms of the Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

This acknowledgment shall be governed by and construed in accordance with the law of the State of New York.

This acknowledgment is a Loan Document.

Dated as of May 8, 2017.

[SIGNATURE PAGES FOLLOW]

Acknowledged and agreed as of the date of the Agreement:

BRIGHT HORIZONS FAMILY SOLUTIONS LLC
BRIGHT HORIZONS CAPITAL CORP.
BRIGHT HORIZONS LLC
BRIGHT HORIZONS CHILDREN'S CENTERS LLC
CORPORATEFAMILY SOLUTIONS LLC
RESOURCES IN ACTIVE LEARNING
HILDEBRANDT LEARNING CENTERS, LLC

By: _____

Name: _____

Title: _____

CERTIFICATION OF CHIEF EXECUTIVE OFFICER, BRIGHT HORIZONS FAMILY SOLUTIONS INC.

I, David Lissy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bright Horizons Family Solutions Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2017

/s/ David Lissy

David Lissy
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER, BRIGHT HORIZONS FAMILY SOLUTIONS INC.

I, Elizabeth Boland, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bright Horizons Family Solutions Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2017

/s/ Elizabeth Boland

Elizabeth Boland
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bright Horizons Family Solutions Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Lissy, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- 1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2017

/s/ David Lissy

David Lissy
Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Bright Horizons Family Solutions Inc. and will be retained by Bright Horizons Family Solutions Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bright Horizons Family Solutions Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elizabeth Boland, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- 1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2017

/s/ Elizabeth Boland

Elizabeth Boland
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Bright Horizons Family Solutions Inc. and will be retained by Bright Horizons Family Solutions Inc. and furnished to the Securities and Exchange Commission or its staff upon request.