

**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 **March 31, 2023**

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)

80-0188269

(I.R.S. Employer
Identification Number)

2 Wells Avenue

Newton, Massachusetts

(Address of principal executive offices)

02459

(Zip code)

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

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	BFAM	New York Stock Exchange

Indicate by check mark whether the registrant (1) has 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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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"/>	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 April 24, 2023, there were 57,811,213 shares of common stock outstanding.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.

FORM 10-Q

For the quarterly period ended March 31, 2023

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

BRIGHT HORIZONS FAMILY SOLUTIONS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2023	December 31, 2022
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 44,629	\$ 36,224
Accounts receivable — net of allowance for credit losses of \$2,649 and \$2,947 at March 31, 2023 and December 31, 2022, respectively	230,769	217,170
Prepaid expenses and other current assets	95,966	94,316
Total current assets	371,364	347,710
Fixed assets — net	575,440	571,471
Goodwill	1,731,758	1,727,852
Other intangible assets — net	237,255	245,574
Operating lease right-of-use assets	796,257	801,626
Other assets	93,277	104,636
Total assets	\$ 3,805,351	\$ 3,798,869
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 16,000	\$ 16,000
Borrowings under revolving credit facility	44,500	84,000
Accounts payable and accrued expenses	210,524	230,634
Current portion of operating lease liabilities	95,733	94,092
Deferred revenue	263,977	222,994
Other current liabilities	157,647	138,574
Total current liabilities	788,381	786,294
Long-term debt — net	957,876	961,581
Operating lease liabilities	804,821	810,403
Other long-term liabilities	95,184	100,466
Deferred revenue	8,757	8,933
Deferred income taxes	46,889	50,739
Total liabilities	2,701,908	2,718,416
Stockholders' equity:		
Preferred stock, \$0.001 par value; 25,000,000 shares authorized; no shares issued or outstanding at March 31, 2023 and December 31, 2022	—	—
Common stock, \$0.001 par value; 475,000,000 shares authorized; 57,679,676 and 57,531,130 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	58	58
Additional paid-in capital	616,305	599,422
Accumulated other comprehensive loss	(72,648)	(70,629)
Retained earnings	559,728	551,602
Total stockholders' equity	1,103,443	1,080,453
Total liabilities and stockholders' equity	\$ 3,805,351	\$ 3,798,869

See accompanying notes to condensed consolidated financial statements.

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

	Three months ended March 31,	
	2023	2022
	(In thousands, except share data)	
Revenue	\$ 553,606	\$ 460,409
Cost of services	431,992	350,350
Gross profit	121,614	110,059
Selling, general and administrative expenses	82,771	71,746
Amortization of intangible assets	8,198	7,149
Income from operations	30,645	31,164
Interest expense — net	(12,916)	(7,046)
Income before income tax	17,729	24,118
Income tax expense	(9,603)	(4,712)
Net income	\$ 8,126	\$ 19,406
Earnings per common share:		
Common stock — basic	\$ 0.14	\$ 0.33
Common stock — diluted	\$ 0.14	\$ 0.33
Weighted average common shares outstanding:		
Common stock — basic	57,603,866	59,094,724
Common stock — diluted	57,709,909	59,415,345

See accompanying notes to condensed consolidated financial statements.

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

	Three months ended March 31,	
	2023	2022
	(In thousands)	
Net income	\$ 8,126	\$ 19,406
Other comprehensive income (loss):		
Foreign currency translation adjustments	6,880	(17,006)
Unrealized gain (loss) on cash flow hedges and investments, net of tax	(8,899)	18,700
Total other comprehensive income (loss)	(2,019)	1,694
Comprehensive income	\$ 6,107	\$ 21,100

See accompanying notes to condensed consolidated financial statements.

BRIGHT HORIZONS FAMILY SOLUTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

Three months ended March 31, 2023							
	Common Stock		Additional Paid-in Capital	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
(In thousands, except share data)							
Balance at January 1, 2023	57,531,130	\$ 58	\$ 599,422	\$ —	\$ (70,629)	\$ 551,602	\$ 1,080,453
Stock-based compensation expense			5,850				5,850
Issuance of common stock under the Equity Incentive Plan	169,798	—	12,558				12,558
Shares received in net share settlement of stock option exercises and vesting of restricted stock	(21,252)	—	(1,525)				(1,525)
Other comprehensive loss					(2,019)		(2,019)
Net income						8,126	8,126
Balance at March 31, 2023	57,679,676	\$ 58	\$ 616,305	\$ —	\$ (72,648)	\$ 559,728	\$ 1,103,443

Three months ended March 31, 2022							
	Common Stock		Additional Paid-in Capital	Treasury Stock, at Cost	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
(In thousands, except share data)							
Balance at January 1, 2022	59,305,160	\$ 59	\$ 745,615	\$ —	\$ (37,359)	\$ 470,961	\$ 1,179,276
Stock-based compensation expense			6,096				6,096
Issuance of common stock under the Equity Incentive Plan	165,517	1	8,894				8,895
Shares received in net share settlement of stock option exercises and vesting of restricted stock	(25,594)	—	(3,175)				(3,175)
Purchase of treasury stock				(39,686)			(39,686)
Retirement of treasury stock	(311,900)	(1)	(39,685)	39,686			—
Other comprehensive income					1,694		1,694
Net income						19,406	19,406
Balance at March 31, 2022	59,133,183	\$ 59	\$ 717,745	\$ —	\$ (35,665)	\$ 490,367	\$ 1,172,506

See accompanying notes to condensed consolidated financial statements.

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

	Three months ended March 31,	
	2023	2022
(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 8,126	\$ 19,406
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27,310	25,576
Stock-based compensation expense	5,850	6,096
Deferred income taxes	(597)	376
Other non-cash adjustments — net	2,478	159
Changes in assets and liabilities:		
Accounts receivable	(13,271)	22,892
Prepaid expenses and other current assets	(8,136)	(13,238)
Accounts payable and accrued expenses	(20,266)	10,621
Income taxes	5,444	272
Deferred revenue	40,249	(25,060)
Leases	1,521	1,513
Other assets	2,836	6,987
Other current and long-term liabilities	15,769	2,958
Net cash provided by operating activities	<u>67,313</u>	<u>58,558</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(19,333)	(11,595)
Proceeds from the maturity of debt securities and sale of other investments	7,450	5,569
Purchases of debt securities and other investments	(6,225)	(3,180)
Payments and settlements for acquisitions — net of cash acquired	(121)	(147)
Net cash used in investing activities	<u>(18,229)</u>	<u>(9,353)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under revolving credit facility	120,000	—
Payments under revolving credit facility	(159,500)	—
Principal payments of long-term debt	(4,000)	(4,000)
Proceeds from issuance of common stock upon exercise of options and restricted stock upon purchase	4,287	8,823
Taxes paid related to the net share settlement of stock options and restricted stock	(1,525)	(3,174)
Purchase of treasury stock	—	(39,913)
Payments of contingent consideration for acquisitions	(225)	(13,865)
Net cash used in financing activities	<u>(40,963)</u>	<u>(52,129)</u>
Effect of exchange rates on cash, cash equivalents and restricted cash	(114)	(605)
Net increase (decrease) in cash, cash equivalents and restricted cash	8,007	(3,529)
Cash, cash equivalents and restricted cash — beginning of period	51,894	265,281
Cash, cash equivalents and restricted cash — end of period	<u>\$ 59,901</u>	<u>\$ 261,752</u>

See accompanying notes to condensed consolidated financial statements.

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

	Three months ended March 31,	
	2023	2022
(In thousands)		
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	\$ 44,629	\$ 257,227
Restricted cash and cash equivalents, included in prepaid expenses and other current assets	12,740	4,525
Restricted cash and cash equivalents, included in other assets	2,532	—
Total cash, cash equivalents and restricted cash — end of period	<u>\$ 59,901</u>	<u>\$ 261,752</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash payments of interest	\$ 17,848	\$ 6,168
Cash payments of income taxes	\$ 4,903	\$ 4,072
Cash paid for amounts included in the measurement of lease liabilities	\$ 39,379	\$ 33,884
NON-CASH TRANSACTIONS:		
Fixed asset purchases recorded in accounts payable and accrued expenses	\$ 2,167	\$ 1,074
Operating right-of-use assets obtained in exchange for operating lease liabilities — net	\$ 16,375	\$ 8,517
Restricted stock reclassified from other current liabilities to equity upon vesting	\$ 8,192	\$ 3,160

See accompanying 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 center-based early education and child care, back-up child and adult/elder care, tuition assistance and student loan repayment program management, educational advisory services, and other support services for employers and families in the United States, the United Kingdom, the Netherlands, Australia, Puerto Rico and India. The Company provides services designed to help families, employers and their employees better integrate work and family life, primarily under multi-year contracts with employers who offer child care, dependent care, and workforce education services, as part of their employee benefits packages in an effort to support employees across life and career stages and improve employee engagement.

On July 1, 2022, the Company acquired Only About Children, an operator of 75 child care centers in Australia. Refer to Note 4, *Acquisitions*, for additional information.

Basis of Presentation — The accompanying unaudited condensed consolidated balance sheet as of March 31, 2023 and the unaudited condensed consolidated statements of income, comprehensive income, changes in stockholders’ equity, and cash flows for the interim periods ended March 31, 2023 and 2022 have been prepared 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 (“SEC”). 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, 2022. The consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

In the opinion of the Company’s management, the Company’s unaudited condensed consolidated balance sheet as of March 31, 2023 and the unaudited condensed consolidated statements of income, comprehensive income, changes in stockholders’ equity, and cash flows for the interim periods ended March 31, 2023 and 2022, 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.

During the three months ended March 31, 2023, the Company recorded expense of \$6.0 million for an immaterial correction of an error related to value-added tax incurred in prior periods, of which \$4.3 million is included in cost of services and \$1.7 million is included in selling, general and administrative expenses. Refer to Note 11, *Segment Information*, for additional information.

Stockholders’ Equity — The board of directors of the Company authorized a share repurchase program of up to \$400 million of the Company’s outstanding common stock effective December 16, 2021. The share repurchase program has no expiration date. 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. During the three months ended March 31, 2023, there were no share repurchases. At March 31, 2023, \$198.3 million remained available under the repurchase program. During the three months ended March 31, 2022, the Company repurchased 0.3 million shares for \$39.7 million. All repurchased shares have been retired.

Government Support — During the three months ended March 31, 2023 and 2022, the Company participated in government support programs that were enacted in response to the economic impact of the COVID-19 pandemic, including availing itself of certain tax deferrals and federal block grant funding in the United States.

During the three months ended March 31, 2023 and 2022, \$21.6 million and \$25.3 million, respectively, was recorded as a reduction to cost of services in relation to these benefits, of which \$7.4 million and \$9.5 million, respectively, reduced the operating subsidies paid by employers for the related child care centers. Additionally during the three months ended March 31, 2023 and 2022, \$0.6 million and \$2.0 million, respectively, was recorded to revenue related to amounts received for tuition support.

As of March 31, 2023 and December 31, 2022, \$2.5 million and \$1.2 million, respectively, was recorded in prepaid expenses and other current assets on the consolidated balance sheet for amounts due from government support programs, and as of March 31, 2023 and December 31, 2022, \$4.2 million and \$4.6 million, respectively, was recorded to other current liabilities related to government support received related to future periods.

2. REVENUE RECOGNITION

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers into segments and geographical regions. Revenue disaggregated by segment and geographical region was as follows:

	Full service center-based child care	Back-up care	Educational advisory and other services	Total
(In thousands)				
Three months ended March 31, 2023				
North America	\$ 284,584	\$ 88,820	\$ 27,085	\$ 400,489
International	145,607	7,510	—	153,117
	<u>\$ 430,191</u>	<u>\$ 96,330</u>	<u>\$ 27,085</u>	<u>\$ 553,606</u>
Three months ended March 31, 2022				
North America	\$ 243,237	\$ 75,929	\$ 25,633	\$ 344,799
International	110,695	4,915	—	115,610
	<u>\$ 353,932</u>	<u>\$ 80,844</u>	<u>\$ 25,633</u>	<u>\$ 460,409</u>

The classification “North America” is comprised of the Company’s United States and Puerto Rico operations and the classification “International” includes the Company’s United Kingdom, Netherlands, Australia and India operations. On July 1, 2022, the Company acquired Only About Children, an operator of 75 child care centers in Australia. Refer to Note 4, *Acquisitions*, for additional information.

Deferred Revenue

The Company records deferred revenue when payments are received in advance of the Company’s performance under the contract, which is recognized as revenue as the performance obligation is satisfied. During the three months ended March 31, 2023 and 2022, \$140.8 million and \$136.5 million was recognized as revenue related to the deferred revenue balance recorded at December 31, 2022 and December 31, 2021, respectively.

Remaining Performance Obligations

The Company does not disclose the value of unsatisfied performance obligations for contracts with an original contract term of one year or less, or for variable consideration allocated to the unsatisfied performance obligation of a series of services. The transaction price allocated to the remaining performance obligations relates to services that are paid or invoiced in advance. The Company’s remaining performance obligations not subject to the practical expedients were not material.

3. LEASES

The Company has operating leases for certain of its full service and back-up early education and child care centers, corporate offices, call centers, and to a lesser extent, various office equipment, in the United States, the United Kingdom, the Netherlands, and Australia. Most of the leases expire within 10 to 15 years and many contain renewal options and/or termination provisions. As of March 31, 2023 and December 31, 2022, there were no material finance leases.

Lease Expense

The components of lease expense were as follows:

	Three months ended March 31,	
	2023	2022
(In thousands)		
Operating lease expense ⁽¹⁾	\$ 37,968	\$ 32,528
Variable lease expense ⁽¹⁾	11,175	9,944
Total lease expense	<u>\$ 49,143</u>	<u>\$ 42,472</u>

(1) Excludes short-term lease expense and sublease income, which were immaterial for the periods presented.

Other Information

The weighted average remaining lease term and the weighted average discount rate were as follows:

	March 31, 2023	December 31, 2022
Weighted average remaining lease term (in years)	10	10
Weighted average discount rate	6.8%	6.7%

Maturity of Lease Liabilities

The following table summarizes the maturity of lease liabilities as of March 31, 2023:

	Operating Leases (In thousands)
Remainder of 2023	\$ 104,156
2024	149,215
2025	137,901
2026	130,215
2027	121,198
Thereafter	631,336
Total lease payments	1,274,021
Less imputed interest	(373,467)
Present value of lease liabilities	900,554
Less current portion of operating lease liabilities	(95,733)
Long-term operating lease liabilities	\$ 804,821

As of March 31, 2023, the Company had entered into additional operating leases that have not yet commenced with total fixed payment obligations of \$23.5 million. The leases are expected to commence in fiscal 2023 and have initial lease terms of approximately 12 to 15 years.

4. 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 the Company's existing operations, including cost efficiencies and leveraging existing client relationships, as well as from benefits derived from gaining the related assembled workforce.

During the three months ended March 31, 2023, the Company paid contingent consideration of \$0.2 million related to an acquisition completed in 2021, which had been recorded as a liability at the date of acquisition and is presented as cash used in financing activities in the consolidated statement of cash flows.

2022 Acquisitions

Only About Children

On July 1, 2022, the Company, through wholly-owned subsidiaries, completed the acquisition of the outstanding shares of Only About Children, a child care operator in Australia with approximately 75 early education and child care centers, for aggregate consideration of AUD\$450 million (USD\$310 million), which was accounted for as a business combination. The Company paid approximately AUD\$300 million (USD\$207 million), net of cash acquired and subject to customary purchase price adjustments, and will pay an additional USD\$106.5 million 18 months after closing. In October 2022, the Company reached an agreement with the sellers on the final net working capital, resulting in a refund of AUD\$2.6 million (USD\$1.8 million), which was received in the fourth quarter of 2022. The present value of the deferred consideration of USD\$97.7 million and USD\$102.1 million at the acquisition date and March 31, 2023, respectively, is included in other current liabilities on the consolidated balance sheet.

During the year ended December 31, 2022, the Company incurred acquisition-related transaction costs of approximately \$9.2 million, which were included in selling, general and administrative expenses. In addition, the Company recognized realized losses of \$5.9 million in relation to foreign currency forward contracts for the purchase of Australian dollars entered into in connection with settling the purchase price for the acquisition. Refer to Note 6, *Credit Arrangements and Debt Obligations*, for additional information on the foreign currency forward contracts.

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:

	At acquisition date as reported September 30, 2022	Measurement period adjustments	At acquisition date as reported March 31, 2023
	(In thousands)		
Cash	\$ 4,705	\$ —	\$ 4,705
Accounts receivable and prepaid expenses	4,295	(54)	4,241
Fixed assets	21,702	(1,051)	20,651
Goodwill	283,466	3,422	286,888
Intangible assets	30,945	(3,377)	27,568
Operating lease right of use assets	156,678	(3,698)	152,980
Total assets acquired	501,791	(4,758)	497,033
Accounts payable and accrued expenses	17,991	137	18,128
Deferred revenue and parent deposits	6,809	62	6,871
Deferred tax liabilities	3,392	(3,392)	—
Operating lease liabilities	161,405	(1,706)	159,699
Other long-term liabilities	5,458	141	5,599
Total liabilities assumed	195,055	(4,758)	190,297
Purchase price	\$ 306,736	\$ —	\$ 306,736

The Company recorded goodwill of \$286.9 million related to the full service center-based child care segment, which will not be deductible for tax purposes. Intangible assets consist of customer relationships of \$19.7 million with a six year life and trade name of \$7.9 million with an eleven year life.

The determination and 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 March 31, 2023, the purchase price allocation for Only About Children remains open as the Company gathers additional information regarding the assets acquired and the liabilities assumed, primarily in relation to the valuation of intangibles, fixed assets, contingencies, leases, and the Company's assessment of tax related items.

The operating results for Only About Children are included in the consolidated results of operations from the date of acquisition, and are reported with the full service center-based child care segment. Only About Children contributed total revenue of \$33.2 million during the three months ended March 31, 2023. Net income for the three months ended March 31, 2023 was not materially impacted by the acquisition of Only About Children.

The following table presents consolidated pro forma revenue as if the acquisition of Only About Children had occurred on January 1, 2021:

	Pro forma (Unaudited) Three months ended March 31, 2022
	(In thousands)
Revenue	\$ 492,588

Other than the impact of shifting the transaction costs incurred in 2022 to 2021, consolidated pro forma net income would not materially change from the reported results. In assessing the impact to the unaudited pro forma results we considered certain adjustments related to the acquisition, such as increased amortization expense related to the acquired intangible assets, adjusted depreciation associated with the fair value of the acquired fixed assets, and shifting of transaction costs.

Other 2022 Acquisitions

During the year ended December 31, 2022, the Company acquired one center in the United States, one center in the United Kingdom, and one center in the Netherlands, in three separate business acquisitions, which were each accounted for as a business combinations. These businesses were acquired for aggregate cash consideration of \$6.0 million, net of cash acquired of \$0.2 million, and consideration payable of \$0.2 million. The Company recorded goodwill of \$5.6 million related to the full service center-based child care segment in relation to these acquisitions, of which \$1.9 million will be deductible for tax purposes. In addition, the Company recorded intangible assets of \$1.0 million that will be amortized over four years in relation to these acquisitions.

The determination and 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 March 31, 2023, the purchase price allocation for each of the acquisitions remains 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, and were not material to the Company's financial results.

During the year ended December 31, 2022, the Company paid contingent consideration of \$19.1 million related to an acquisition completed in 2019 and contingent consideration of \$0.2 million related to an acquisition completed in 2021. Of the total amounts paid of \$19.3 million, \$13.9 million had been recorded as a liability at the date of acquisition and was presented as cash used in financing activities in the consolidated statement of cash flows with remaining amounts reflected as cash used in operating activities.

5. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill were as follows:

	Full service center-based child care	Back-up care	Educational advisory and other services	Total
	(In thousands)			
Balance at January 1, 2023	\$ 1,481,936	\$ 206,073	\$ 39,843	\$ 1,727,852
Adjustments to prior year acquisitions	227	—	—	227
Effect of foreign currency translation	3,157	522	—	3,679
Balance at March 31, 2023	<u>\$ 1,485,320</u>	<u>\$ 206,595</u>	<u>\$ 39,843</u>	<u>\$ 1,731,758</u>

The Company also has intangible assets, which consisted of the following at March 31, 2023 and December 31, 2022:

March 31, 2023	Weighted average amortization period	Cost	Accumulated amortization	Net carrying amount
		(In thousands)		
Definite-lived intangible assets:				
Customer relationships	12 years	\$ 398,585	\$ (350,266)	\$ 48,319
Trade names	10 years	19,262	(10,726)	8,536
		<u>417,847</u>	<u>(360,992)</u>	<u>56,855</u>
Indefinite-lived intangible assets:				
Trade names	N/A	180,400	—	180,400
		<u>\$ 598,247</u>	<u>\$ (360,992)</u>	<u>\$ 237,255</u>

December 31, 2022	Weighted average amortization period	Cost	Accumulated amortization (In thousands)	Net carrying amount
Definite-lived intangible assets:				
Customer relationships	12 years	\$ 398,238	\$ (341,918)	\$ 56,320
Trade names	10 years	19,231	(10,236)	8,995
		<u>417,469</u>	<u>(352,154)</u>	<u>65,315</u>
Indefinite-lived intangible assets:				
Trade names	N/A	180,259	—	180,259
		<u>\$ 597,728</u>	<u>\$ (352,154)</u>	<u>\$ 245,574</u>

The Company estimates that it will record amortization expense related to intangible assets existing as of March 31, 2023 as follows:

	Estimated amortization expense (In thousands)
Remainder of 2023	\$ 24,232
2024	16,534
2025	5,631
2026	4,579
2027	2,310
Thereafter	3,569
	<u>\$ 56,855</u>

6. CREDIT ARRANGEMENTS AND DEBT OBLIGATIONS

Senior Secured Credit Facilities

The Company's senior secured credit facilities consist of a \$600 million term loan B facility ("term loan B") and a \$400 million term loan A facility ("term loan A" and together with term loan B, the "term loan facilities" or "term loans"), as well as a \$400 million multi-currency revolving credit facility ("revolving credit facility").

Long-term debt obligations were as follows:

	March 31, 2023	December 31, 2022
	(In thousands)	
Term loan B	\$ 592,500	\$ 594,000
Term loan A	387,500	390,000
Deferred financing costs and original issue discount	(6,124)	(6,419)
Total debt	973,876	977,581
Less current maturities	(16,000)	(16,000)
Long-term debt	<u>\$ 957,876</u>	<u>\$ 961,581</u>

On December 21, 2022, the Company amended its existing senior secured credit facilities to replace the LIBOR-based benchmark rate with a term SOFR benchmark rate, which did not alter the applicable interest rates held in effect prior to the change. The amendment was treated as a modification and the related transaction costs were expensed as incurred.

All borrowings under the credit facilities are subject to variable interest. The effective interest rate for the term loans was 6.97% and 6.49% at March 31, 2023 and December 31, 2022, respectively, and the weighted average interest rate was 6.67% and 2.34% for the three months ended March 31, 2023 and 2022, respectively, prior to the effects of any interest rate hedge arrangements. The effective interest rate for the revolving credit facility was 7.53% and 6.51% at March 31, 2023 and December 31, 2022, respectively, and the weighted average interest rate was 6.76% and 4.25% for the three months ended March 31, 2023 and 2022, respectively.

Term Loan B Facility

The seven-year term loan B matures on November 23, 2028 and requires quarterly principal payments equal to 1% per annum of the original aggregate principal amount of the term loan B, with the remaining principal balance due at maturity. Borrowings under the term loan B facility bear interest at a rate per annum of 1.25% over the base rate, or 2.25% over the adjusted term SOFR rate. The base rate is subject to an interest rate floor of 1.50% and the adjusted term SOFR rate is subject to an interest rate floor of 0.50%.

Term Loan A Facility

The five-year term loan A matures on November 23, 2026 and requires quarterly principal payments equal to 2.5% per annum of the original aggregate principal amount of the term loan A in each of the first three years, 5.0% in the fourth year, and 7.5% in the fifth year. The remaining principal balance is due at maturity. Borrowings under the term loan A facility bear interest at a rate per annum ranging from 0.50% to 0.75% over the base rate, or 1.50% to 1.75% over the adjusted term SOFR rate. The base rate is subject to an interest rate floor of 1.00% and the adjusted term SOFR rate is subject to an interest rate floor of 0.00%.

Revolving Credit Facility

The \$400 million multi-currency revolving credit facility matures on May 26, 2026. At March 31, 2023, borrowings outstanding on the revolving credit facility were \$44.5 million and letters of credit outstanding were \$5.2 million, with \$350.3 million available for borrowing. At December 31, 2022, borrowings outstanding on the revolving credit facility were \$84.0 million and letters of credit outstanding were \$5.2 million.

Borrowings under the revolving credit facility bear interest at a rate per annum ranging from 0.50% to 0.75% over the base rate, or 1.50% to 1.75% over the adjusted term SOFR rate. The base rate is subject to an interest rate floor of 1.00% and the adjusted term SOFR rate is subject to an interest rate floor of 0.00%.

Debt Covenants

All obligations under the senior secured credit facilities are secured by substantially all the assets of the Company's material U.S. 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, the Company's wholly-owned subsidiary, and its restricted subsidiaries, to: incur 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 the Company's subsidiaries; alter the business conducted; enter into agreements restricting the Company's 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., the Company's direct subsidiary, to be a passive holding company, subject to certain exceptions. The term loan A and the revolving credit facility require Bright Horizons Family Solutions LLC, the borrower, and its restricted subsidiaries, to comply with a maximum first lien net leverage ratio not to exceed 4.25 to 1.00. A breach of the applicable covenant is subject to certain equity cure rights.

Future principal payments of long-term debt are as follows for the years ending December 31:

	Long-term debt
	(In thousands)
Remainder of 2023	\$ 12,000
2024	18,500
2025	28,500
2026	351,000
2027	6,000
Thereafter	564,000
Total future principal payments	<u>\$ 980,000</u>

Derivative Financial Instruments

The Company is subject to interest rate risk, as all borrowings under the senior secured credit facilities are subject to variable interest rates. The Company's risk management policy permits using derivative instruments to manage interest rate and other risks. The Company uses interest rate caps to manage a portion of the risk related to changes in cash flows from interest rate movements. On December 21, 2022, the Company amended its existing interest rate cap agreements in conjunction with the amendment to its senior secured credit facilities, and replaced the one-month LIBOR rate with the one-month term SOFR rate.

In June 2020, the Company entered into interest rate cap agreements with a total notional value of \$800 million, designated and accounted for as cash flow hedges from inception, to provide the Company with interest rate protection in the event the one-month LIBOR rate increases above 1% (effective December 30, 2022, one-month term SOFR rate increases above 0.9%). Interest rate cap agreements for \$300 million notional value have an effective date of June 30, 2020 and expire on October 31, 2023, while interest rate cap agreements for another \$500 million notional amount have an effective date of October 29, 2021 and expire on October 31, 2023.

In December 2021, the Company entered into additional interest rate cap agreements with a total notional value of \$900 million designated and accounted for as cash flow hedges from inception. Interest rate cap agreements for \$600 million, which have a forward starting effective date of October 31, 2023 and expire on October 31, 2025, provide the Company with interest rate protection in the event the one-month LIBOR rate increases above 2.5% (effective December 30, 2022, one-month term SOFR rate increases above 2.4%). Interest rate cap agreements for \$300 million, which have a forward starting effective date of October 31, 2023 and expire on October 31, 2026, provide the Company with interest rate protection in the event the one-month LIBOR rate increases above 3.0% (effective December 30, 2022, one-month term SOFR rate increases above 2.9%).

During the year ended December 31, 2022, the Company entered into foreign currency forward contracts in connection with an acquisition in Australia completed on July 1, 2022. The Company entered into the foreign currency forwards to lock the purchase price in US dollars at closing and mitigate the impact of foreign currency fluctuations between signing of the definitive purchase agreement on May 3, 2022 and closing. The forward contracts had a total notional value of approximately AUD\$320 million, which included the expected payments for the purchase price and for letters of credit used to guarantee certain lease arrangements. The cash flows associated with the business combination do not meet the criteria to be designated and accounted for as a cash flow hedge and, as such, foreign currency gains and losses on these forwards are recorded on the consolidated statement of income. During the year ended December 31, 2022, the Company recognized realized losses of \$5.9 million in relation to these forwards due to fluctuations in the Australian dollar.

The fair value of the derivative financial instruments was as follows for the periods presented:

Derivative financial instruments	Consolidated balance sheet classification	March 31, 2023	December 31, 2022
		(In thousands)	
Interest rate caps - asset	Prepaid and other current assets	\$ 17,980	\$ 25,464
Interest rate caps - asset	Other assets	\$ 23,619	\$ 28,553

The effect of the derivative financial instruments on other comprehensive income (loss) was as follows:

Derivatives designated as cash flow hedging instruments	Amount of gain (loss) recognized in other comprehensive income (loss)	Consolidated statement of income classification	Amount of net gain (loss) reclassified into earnings	Total effect on other comprehensive income (loss)
	(In thousands)		(In thousands)	
Three months ended March 31, 2023				
Cash flow hedges	\$ (5,264)	Interest expense — net	\$ 6,976	\$ (12,240)
Income tax effect	1,405	Income tax benefit (expense)	(1,863)	3,268
Net of income taxes	<u>\$ (3,859)</u>		<u>\$ 5,113</u>	<u>\$ (8,972)</u>
Three months ended March 31, 2022				
Cash flow hedges	\$ 24,913	Interest expense — net	\$ (103)	\$ 25,016
Income tax effect	(6,652)	Income tax expense	(449)	(6,203)
Net of income taxes	<u>\$ 18,261</u>		<u>\$ (552)</u>	<u>\$ 18,813</u>

During the next 12 months, the Company estimates that a net gain of \$23.0 million, pre-tax, will be reclassified from accumulated other comprehensive loss and recorded as a reduction to interest expense related to these derivative financial instruments.

7. EARNINGS PER SHARE

The following tables set forth the computation of basic and diluted earnings per share using the two-class method:

	Three months ended March 31,	
	2023	2022
(In thousands, except share data)		
Basic earnings per share:		
Net income	\$ 8,126	\$ 19,406
Allocation of net income to common stockholders:		
Common stock	\$ 8,098	\$ 19,324
Unvested participating shares	28	82
Net income	<u>\$ 8,126</u>	<u>\$ 19,406</u>
Weighted average common shares outstanding:		
Common stock	57,603,866	59,094,724
Unvested participating shares	202,749	250,399
Earnings per common share:		
Common stock	<u>\$ 0.14</u>	<u>\$ 0.33</u>
	Three months ended March 31,	
	2023	2022
(In thousands, except share data)		
Diluted earnings per share:		
Earnings allocated to common stock	\$ 8,098	\$ 19,324
Plus: earnings allocated to unvested participating shares	28	82
Less: adjusted earnings allocated to unvested participating shares	(28)	(82)
Earnings allocated to common stock	<u>\$ 8,098</u>	<u>\$ 19,324</u>
Weighted average common shares outstanding:		
Common stock	57,603,866	59,094,724
Effect of dilutive securities	106,043	320,621
Weighted average common shares outstanding — diluted	<u>57,709,909</u>	<u>59,415,345</u>
Earnings per common share:		
Common stock	<u>\$ 0.14</u>	<u>\$ 0.33</u>

Options outstanding to purchase 2.0 million and 1.2 million shares of common stock were excluded from diluted earnings per share for the three months ended March 31, 2023 and 2022, respectively, since their effect was anti-dilutive. These options may become dilutive in the future.

8. INCOME TAXES

The Company's effective income tax rates were 54.2% and 19.5% for the three months ended March 31, 2023 and 2022, respectively. The effective income tax rate may fluctuate from quarter to quarter for various reasons, including changes to income before income tax, jurisdictional mix of income before income tax, valuation allowances, jurisdictional income tax rate changes, as well as discrete items such as non-deductible transaction costs, the settlement of foreign, federal and state tax issues and the effects of excess (shortfall) tax benefit (expense) associated with the exercise or expiration of stock options and vesting of restricted stock, which is included in tax expense.

During the three months ended March 31, 2023, the net shortfall tax expense from stock-based compensation expense increased tax expense by \$2.1 million. During the three months ended March 31, 2022, the excess tax benefit from stock-based compensation expense decreased tax expense by \$2.0 million. For the three months ended March 31, 2023 and 2022, prior to the inclusion of the excess (shortfall) tax benefit (expense), other discrete items and unbenefited losses in certain foreign jurisdictions, the effective income tax rate approximated 30% and 27%, respectively.

The Company's unrecognized tax benefits were \$4.0 million and \$3.8 million at March 31, 2023 and December 31, 2022, respectively, inclusive of interest. The Company does not expect the unrecognized tax benefits to change over the next twelve months.

The Company and its domestic subsidiaries are subject to U.S. federal income tax as well as tax in multiple state jurisdictions. U.S. federal income tax returns are typically subject to examination by the Internal Revenue Service and the statute of limitations for federal tax returns is three years. The Company's filings for the tax years 2019 through 2021 are subject to audit based upon the federal statute of limitations.

State income tax returns are generally subject to examination for a period of three to four 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. The Company's filings for the tax years 2018 through 2021 are subject to audit based upon the statute of limitations.

The Company is also subject to corporate income tax for its subsidiaries located in the United Kingdom, the Netherlands, Australia, India, 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 five years.

9. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are classified using a three-level 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 and the lowest priority to unobservable inputs. The Company uses observable inputs where relevant and whenever possible. The three levels of the hierarchy are defined as follows:

Level 1 — Fair value is derived using quoted prices from active markets for identical instruments.

Level 2 — Fair value is derived using quoted prices for similar instruments from active markets or for identical or similar instruments in markets that are not active; or, fair value is based on model-derived valuations in which all significant inputs and significant value drivers are observable from active markets.

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

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, and accounts payable and accrued expenses approximates their fair value because of their short-term nature.

Financial instruments that potentially expose the Company to concentrations of credit risk consisted mainly of cash and accounts receivable. The Company mitigates its exposure by maintaining its cash in financial institutions of high credit standing. The Company's accounts receivable is derived primarily from the services it provides, and the related credit risk is 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. No significant credit concentration risk existed at March 31, 2023.

Long-term Debt — The Company's long-term debt is recorded at adjusted cost, net of original issue discounts and deferred financing costs. The fair value of the Company's long-term debt is based on current bid prices or prices for similar instruments from active markets. As such, the Company's long-term debt was classified as Level 2. As of March 31, 2023, the carrying value and estimated fair value of long-term debt was \$980.0 million and \$968.2 million, respectively. As of December 31, 2022, the estimated fair value approximated the carrying value of long-term debt.

Derivative Financial Instruments — The Company’s interest rate cap agreements are recorded at fair value and estimated using market-standard valuation models. Such models project future cash flows and discount the future amounts to a present value using market-based observable inputs. Additionally, the fair value of the interest rate caps included consideration of credit risk. The Company used a potential future exposure model to estimate this credit valuation adjustment (“CVA”). The inputs to the CVA were largely based on observable market data, with the exception of certain assumptions regarding credit worthiness. As the magnitude of the CVA was not a significant component of the fair value of the interest rate caps, it was not considered a significant input. The fair value of the interest rate caps are classified as Level 2. As of March 31, 2023, the fair value of the interest rate cap agreements was \$41.6 million, of which \$18.0 million was recorded in prepaid expenses and other current assets and \$23.6 million was recorded in other assets on the consolidated balance sheet. At December 31, 2022, the fair value of the interest rate cap agreements was \$54.1 million, of which \$25.5 million was recorded in prepaid expenses and other current assets and \$28.6 million was recorded in other assets on the consolidated balance sheet.

Debt Securities — The Company’s investments in debt securities, which are classified as available-for-sale, consist of U.S. Treasury and U.S. government agency securities and certificates of deposit. These securities are held in escrow by the Company’s wholly-owned captive insurance company and were purchased with restricted cash. As such, these securities are not available to fund the Company’s operations. These securities are recorded at fair value using quoted prices available in active markets and are classified as Level 1. As of March 31, 2023, the fair value of the available-for-sale debt securities was \$30.6 million and was classified based on the instruments’ maturity dates, with \$16.8 million included in prepaid expenses and other current assets and \$13.8 million in other assets on the consolidated balance sheet. As of December 31, 2022, the fair value of the available-for-sale debt securities was \$29.6 million, with \$17.7 million included in prepaid expenses and other current assets and \$11.9 million in other assets on the consolidated balance sheet. At March 31, 2023 and December 31, 2022, the amortized cost was \$29.6 million and \$29.8 million, respectively. The debt securities held at March 31, 2023 had remaining maturities ranging from less than one year to approximately 2 years. Unrealized gains and losses, net of tax, on available-for-sale debt securities were immaterial for the three months ended March 31, 2023 and 2022.

Liabilities for Contingent Consideration — The Company is subject to contingent consideration arrangements in connection with certain business combinations. Liabilities for contingent consideration are measured at fair value each reporting period, with the acquisition-date fair value included as part of the consideration payable for the related business combination and subsequent changes in fair value recorded to selling, general and administrative expenses on the Company’s consolidated statement of income. The fair value of contingent consideration was generally calculated using customary valuation models based on probability-weighted outcomes of meeting certain future performance targets and forecasted results. The key inputs to the valuations are the projections of future financial results in relation to the businesses and the company-specific discount rates. The Company classified the contingent consideration liabilities as a Level 3 fair value measurement due to the lack of observable inputs used in the model. During the three months ended March 31, 2023, contingent consideration liabilities of \$0.2 million were paid related to acquisitions completed 2021. The contingent consideration liabilities outstanding as of March 31, 2023 relate to an acquisition completed in 2021.

The following table provides a roll forward of the recurring Level 3 fair value measurements:

	Three months ended March 31, 2023	
	(In thousands)	
Balance at January 1, 2023	\$	8,997
Settlement of contingent consideration liabilities		(225)
Changes in fair value		418
Balance at March 31, 2023	\$	<u>9,190</u>

10. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive loss, which is included as a component of stockholders' equity, is comprised of foreign currency translation adjustments and unrealized gains (losses) on cash flow hedges and investments, net of tax.

The changes in accumulated other comprehensive income (loss) by component were as follows:

	Three months ended March 31, 2023			
	Foreign currency translation adjustments (1)	Unrealized gain (loss) on cash flow hedges	Unrealized gain (loss) on investments	Total
	(In thousands)			
Balance at January 1, 2023	\$ (105,138)	\$ 34,738	\$ (229)	\$ (70,629)
Other comprehensive income (loss) before reclassifications — net of tax	6,880	(3,859)	59	3,080
Less: amounts reclassified from accumulated other comprehensive income (loss) — net of tax	—	5,113	(14)	5,099
Net other comprehensive income (loss)	6,880	(8,972)	73	(2,019)
Balance at March 31, 2023	\$ (98,258)	\$ 25,766	\$ (156)	\$ (72,648)
	Three months ended March 31, 2022			
	Foreign currency translation adjustments (1)	Unrealized gain (loss) on cash flow hedges	Unrealized gain (loss) on investments	Total
	(In thousands)			
Balance at January 1, 2022	\$ (38,073)	\$ 738	\$ (24)	\$ (37,359)
Other comprehensive income (loss) before reclassifications — net of tax	(17,006)	18,261	(113)	1,142
Less: amounts reclassified from accumulated other comprehensive income (loss) — net of tax	—	(552)	—	(552)
Net other comprehensive income (loss)	(17,006)	18,813	(113)	1,694
Balance at March 31, 2022	\$ (55,079)	\$ 19,551	\$ (137)	\$ (35,665)

(1) Taxes are not provided for the currency translation adjustments related to the undistributed earnings of foreign subsidiaries that are intended to be indefinitely reinvested.

11. SEGMENT INFORMATION

The Company's reportable segments are comprised of (1) full service center-based child care, (2) back-up care, and (3) educational advisory and other services. The full service center-based child care segment includes the traditional center-based early education and child care, preschool, and elementary education. The Company's back-up care segment consists of center-based back-up child care, in-home care for children and adult/elder dependents, school-age camps, virtual tutoring, pet care and self-sourced reimbursed care. The Company's educational advisory and other services segment consists of tuition assistance and student loan repayment program management, workforce education, related educational advising, college advisory services, and Sittercity, an online marketplace for families and caregivers, which have been aggregated. The Company and its chief operating decision maker evaluate performance based on revenue and income from operations. Intercompany activity is eliminated in the segment results. 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 segment asset information is produced or included herein.

Revenue and income from operations by reportable segment were as follows:

	Full service center-based child care	Back-up care	Educational advisory and other services	Total
(In thousands)				
Three months ended March 31, 2023				
Revenue	\$ 430,191	\$ 96,330	\$ 27,085	\$ 553,606
Income from operations	8,433	17,371	4,841	30,645
Three months ended March 31, 2022				
Revenue	\$ 353,932	\$ 80,844	\$ 25,633	\$ 460,409
Income from operations	7,161	20,458	3,545	31,164

- (1) For the three months ended March 31, 2023, income from operations included a value-added-tax expense of \$6.0 million related to prior periods, of which \$4.3 million was associated with the back-up care segment and \$1.7 million was associated with the full service center-based child care segment. Refer to Note 1, *Organization and Basis of Presentation*, for additional information.

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 and liquidity; our recovery from the COVID-19 pandemic and the impact on industry, geographic, labor, workplace and demographic trends; the timing to re-enroll and re-ramp centers as well as certain back-up care services and use types; enrollment recovery and occupancy improvement in the U.S. and internationally; our cost management and capital spending; labor costs and investments in employees and wages; future labor rates and labor markets for teachers and staff; continued contributions from our back-up care segment; availability, timing and impact of government relief and support programs; pricing strategies; leases; ability to respond to changing market conditions; our growth; our strategies; ability to regain and sustain business and strategic growth priorities; demand for services; our value proposition, client relations and partnerships; macroeconomic trends including inflation; investments in user experience, operations and strategic opportunities; impact of the Only About Children acquisition and timing of related payments; acquisitions, contributions and expected synergies; contingent consideration; our fair value estimates; goodwill from business combinations; estimates and impact of equity transactions; unrecognized tax benefits and the impact of uncertain tax positions; our effective tax rate; the outcome of tax audits, settlements and tax liabilities; impact of excess tax benefits; fluctuations and the impact of foreign currency exchange rates and interest rates; our capital allocation, share repurchase program and expected activity; amortization expense; the outcome of litigation, legal proceedings and our insurance coverage; debt securities; our interest rate cap and hedge agreements; interest expense; credit risk; the use of derivatives or other market risk sensitive instruments; our indebtedness; borrowings under our senior secured credit facilities, the need for additional debt or equity financing, and our ability to obtain such financing; our sources and uses of cash flow; our ability to fund operations and make capital expenditures and payments with cash and cash equivalents and borrowings; and our ability to meet financial obligations and comply with covenants of our senior secured credit facilities.

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 disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022, as well as other factors disclosed from time to time in our other filings with the SEC.

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.

Overview

The following is a discussion of the significant factors affecting the consolidated operating results, financial condition, liquidity and cash flows of Bright Horizons Family Solutions Inc. (“we” or the “Company”) for the three months ended March 31, 2023, as compared to the three months ended March 31, 2022. 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 and Notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022.

We are a leading provider of high-quality education and care, including early education and child care, back-up and family care solutions, and workforce education services that are designed to help families, employers and their employees solve the challenges of the modern workforce and thrive personally and professionally. We provide services primarily under multi-year contracts with employers who offer early education and child care, back-up care, and educational advisory and other services as part of their employee benefits packages in an effort to support employees across life and career stages and to improve recruitment, employee engagement, productivity, retention and career advancement.

As of March 31, 2023, we had more than 1,400 client relationships with employers across a diverse array of industries, including more than 215 Fortune 500 companies. As of March 31, 2023, we operated 1,076 early education and child care centers and had the capacity to serve approximately 120,000 children and their families in the United States, the United Kingdom, the Netherlands, Australia and India.

Our reportable segments are comprised of (1) full service center-based child care, (2) back-up care, and (3) educational advisory and other services. Full service center-based child care includes traditional center-based early education and child care, preschool, and elementary education. Back-up care consists of center-based back-up child care, in-home care for children and adult/elder dependents, school-age camps, virtual tutoring, pet care and self-sourced reimbursed care. Educational advisory and other services includes tuition assistance and student loan repayment program management, workforce education, related educational advising, college advisory services, and Sittercity, an online marketplace for families and caregivers.

Since March 2020, our global operations have been significantly impacted by the COVID-19 pandemic and the measures undertaken in response thereto. During the early stages of the pandemic, most of our child care centers were temporarily closed. We responded by quickly adapting to the changing environment and focusing on health and safety, supporting clients and their essential frontline workers and pivoting to expand back-up care solutions for clients and employees to meet the surge in need and demand. Nearly all of our centers are now re-opened. While we continue to navigate a dynamic operating environment as a result of the pandemic and disrupted staff availability as well as the effects of current macroeconomic conditions, such as inflation and fluctuations in interest rates and foreign currency exchange rates, during the three months ended March 31, 2023, we continued to see year-over-year enrollment growth as centers re-ramp. We also saw solid growth in back-up care and educational advisory and other services, as we continue to expand our portfolio of client partners, while providing high quality care and education services as we support working families and adult learners.

Results of Operations

The following table sets forth statement of income data as a percentage of revenue for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,			
	2023	%	2022	%
	(In thousands, except percentages)			
Revenue	\$ 553,606	100.0 %	\$ 460,409	100.0 %
Cost of services	431,992	78.0 %	350,350	76.1 %
Gross profit	121,614	22.0 %	110,059	23.9 %
Selling, general and administrative expenses	82,771	15.0 %	71,746	15.6 %
Amortization of intangible assets	8,198	1.5 %	7,149	1.5 %
Income from operations	30,645	5.5 %	31,164	6.8 %
Interest expense — net	(12,916)	(2.3)%	(7,046)	(1.6)%
Income before income tax	17,729	3.2 %	24,118	5.2 %
Income tax expense	(9,603)	(1.7)%	(4,712)	(1.0)%
Net income	\$ 8,126	1.5 %	\$ 19,406	4.2 %
Adjusted EBITDA ⁽¹⁾	\$ 69,845	12.6 %	\$ 62,836	13.6 %
Adjusted income from operations ⁽¹⁾	\$ 36,685	6.6 %	\$ 31,164	6.8 %
Adjusted net income ⁽¹⁾	\$ 28,275	5.1 %	\$ 27,723	6.0 %

(1) Adjusted EBITDA, adjusted income from operations and adjusted net income are non-GAAP financial measures and are not determined in accordance with accounting principles generally accepted in the United States (“GAAP”). Refer to “Non-GAAP Financial Measures and Reconciliation” below for a reconciliation of these non-GAAP financial measures to their respective measures determined under GAAP and for information regarding our use of non-GAAP financial measures.

Three Months Ended March 31, 2023 Compared to the Three Months Ended March 31, 2022

Revenue. Revenue increased by \$93.2 million, or 20%, to \$553.6 million for the three months ended March 31, 2023 from \$460.4 million for the same period in 2022. The following table summarizes the revenue and percentage of total revenue for each of our segments for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,				Change 2023 vs 2022	
	2023		2022			
	(In thousands, except percentages)					
Full-service center-based child care	\$ 430,191	77.7 %	\$ 353,932	76.8 %	\$ 76,259	21.5 %
<i>Tuition</i>	391,096	90.9 %	320,221	90.5 %	70,875	22.1 %
<i>Management fees and operating subsidies</i>	39,095	9.1 %	33,711	9.5 %	5,384	16.0 %
Back-up care	96,330	17.4 %	80,844	17.6 %	15,486	19.2 %
Educational advisory and other services	27,085	4.9 %	25,633	5.6 %	1,452	5.7 %
Total revenue	\$ 553,606	100.0 %	\$ 460,409	100.0 %	\$ 93,197	20.2 %

Revenue generated by the full service center-based child care segment in the three months ended March 31, 2023 increased by \$76.3 million, or 22%, when compared to the same period in 2022. Revenue growth in this segment was attributable to contributions from the 75 child care centers acquired in Australia in July 2022 (“Only About Children”) and from enrollment gains and price increases at our existing child care centers. Tuition revenue increased by \$70.9 million, or 22%, when compared to the prior year, due to revenue contributions during the quarter from Only About Children of \$33.2 million and a 9% increase in enrollment at our existing centers. While we continue to see sequential enrollment growth at our centers, we continue to operate below pre-pandemic enrollment levels as ongoing labor market challenges and current economic conditions have slowed the recovery in both the U.S. and International markets. We expect continued occupancy improvement through the remainder of 2023, with more modest improvement in the U.K. Lower foreign currency exchange rates for our United Kingdom and Netherlands operations in the first quarter of 2023 compared to the same period in 2022 decreased 2023 tuition revenue by approximately 3%, or \$9.7 million, which partially offset our revenue growth. While we expect to be impacted by fluctuations in the foreign currency exchange rates throughout the year, we do not expect fluctuations in foreign currency exchange rates to have a significant impact to the full year results for 2023. Additionally, during the three months ended March 31, 2023, \$0.6 million was received from government programs related to tuition support that was recorded to revenue, which is a decrease from \$2.0 million received in the same period in the prior year. We expect to receive less government support in 2023 as most of the programs for which we are eligible are currently expected to end by September 2023.

Management fees and operating subsidies from employer sponsors increased by \$5.4 million, or 16%, due to higher operating subsidies required to support center operations as enrollment continues to increase, and due to a decrease in funding received from government support programs. Funding received from government support programs reduce certain center operating costs, which impact the related operating subsidies. During the three months ended March 31, 2023 and 2022, such funding reduced the operating subsidy revenue due from employers by \$7.4 million and \$9.5 million, respectively.

Revenue generated by back-up care services in the three months ended March 31, 2023 increased by \$15.5 million, or 19%, when compared to the same period in 2022. Revenue growth in the back-up care segment was primarily attributable to increased utilization of center-based and in-home back-up care from new and existing clients, and expanded sales to new clients.

Revenue generated by educational advisory and other services in the three months ended March 31, 2023 increased by \$1.5 million, or 6%, when compared to the same period in the prior year. Revenue growth in this segment was primarily attributable to contributions from sales to new clients and increased utilization from existing clients.

Cost of Services. Cost of services increased by \$81.6 million, or 23%, to \$432.0 million for the three months ended March 31, 2023 from \$350.4 million for the same period in 2022.

Cost of services in the full service center-based child care segment increased by \$64.5 million, or 22%, to \$358.6 million in the three months ended March 31, 2023 when compared to the same period in 2022. The increase in cost of services was primarily associated with increased labor costs related to the increase in enrollment as well as the operating costs associated with the 75 Only About Children child care centers which were acquired July 1, 2022, and general market inflation. Personnel costs, which generally represent 70% of the costs for this segment, increased 23% primarily in connection with enrollment growth at our centers and higher average labor costs, including wage increases and premiums associated with temporary help, as well as the incremental costs associated with the Only About Children centers. Funding received from government support programs reduced center operating expenses by a total of \$21.6 million in the first quarter of 2023, a decrease of \$3.7 million compared to \$25.3 million in government funding received in the first quarter of 2022. As noted above, a portion of the funding received from government support programs reduced the operating costs in certain employer-sponsored centers, which in turn reduced the operating subsidy revenue due from employers for the related child care centers by \$7.4 million and \$9.5 million in the three months ended March 31, 2023 and 2022, respectively.

Cost of services in the back-up care segment increased by \$16.1 million, or 36%, to \$60.6 million in the three months ended March 31, 2023, when compared to the prior year. The increase in cost of services is primarily associated with higher care provider fees generated by the increase in utilization levels of center-based and in-home back-up care over the prior year, and continued investment in personnel, marketing and technology to support our customer user experience and service delivery. In addition, cost of services includes a \$4.3 million expense recorded in the three months ended March 31, 2023 related to value-added tax expense incurred in prior periods.

Cost of services in the educational advisory and other services segment increased by \$1.0 million, or 9%, to \$12.8 million in the three months ended March 31, 2023 when compared to the prior year, due to increased personnel costs related to delivering services to the expanding customer base.

Gross Profit. Gross profit increased by \$11.6 million, or 10%, to \$121.6 million for the three months ended March 31, 2023 from \$110.1 million for the same period in 2022. Gross profit margin was 22% of revenue for the three months ended March 31, 2023, a decrease of approximately 2% compared to the three months ended March 31, 2022. The decrease was primarily due to value-added tax expense of \$4.3 million related to prior periods.

Selling, General and Administrative Expenses (“SGA”). SGA increased by \$11.0 million, or 15%, to \$82.8 million for the three months ended March 31, 2023 from \$71.7 million for the same period in 2022, on incremental spending to support the business as it continues to re-ramp, incremental costs associated with the Only About Children acquisition completed July 1, 2022, and the inclusion of a \$1.7 million expense recorded for value-added tax expense incurred in prior periods. SGA was 15.0% of revenue for the three months ended March 31, 2023, generally consistent with the same period in 2022.

Amortization of Intangible Assets. Amortization expense on intangible assets was \$8.2 million for the three months ended March 31, 2023, an increase from \$7.1 million for the three months ended March 31, 2022, due to increases from intangible assets acquired in relation to the acquisitions completed in 2022, partially offset by decreases from intangible assets becoming fully amortized during the period.

Income from Operations. Income from operations decreased by \$0.5 million, or 2%, to \$30.6 million for the three months ended March 31, 2023 when compared to the prior year. The following table summarizes income from operations and percentage of revenue for each of our segments for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,				Change 2023 vs 2022	
	2023		2022			
	(In thousands, except percentages)					
Full-service center-based child care	\$ 8,433	2.0 %	\$ 7,161	2.0 %	\$ 1,272	17.8 %
Back-up care	17,371	18.0 %	20,458	25.3 %	(3,087)	(15.1)%
Educational advisory and other services	4,841	17.9 %	3,545	13.8 %	1,296	36.6 %
Income from operations	\$ 30,645	5.5 %	\$ 31,164	6.8 %	\$ (519)	(1.7)%

The decrease in income from operations was primarily due to the following:

- Income from operations for the full service center-based child care segment increased \$1.3 million, or 18%, in the three months ended March 31, 2023 when compared to the same period in 2022 primarily due to increases in tuition revenue from enrollment growth and improved gross profit contributions, partially offset by a decrease of approximately \$3 million in net contributions from government support programs and the inclusion of a \$1.7 million expense recorded for value-added tax expense incurred in prior periods. We expect to receive less government support in 2023 as most of the programs for which we are eligible are currently expected to end by September 2023.
- Income from operations for the back-up care segment decreased \$3.1 million, or 15%, in the three months ended March 31, 2023 when compared to the same period in 2022, due to value-added tax expense of \$4.3 million related to prior periods and higher personnel, technology and marketing costs to support the growth in this segment, partially offset by contributions from the expanding revenue base from increased sales and utilization.
- Income from operations for the educational advisory and other services segment increased \$1.3 million, or 37%, in the three months ended March 31, 2023 when compared to the same period in 2022 due to contributions from the expanding revenue base and cost management.

Net Interest Expense. Net interest expense increased to \$12.9 million for the three months ended March 31, 2023 from \$7.0 million for the same period in 2022 primarily due to increased borrowings under our revolving credit facility, higher interest rates applicable to our debt, and incremental interest associated with a deferred payment for the Only About Children acquisition. The blended weighted average interest rate for the term loans and revolving credit facility was 3.97% for three months ended March 31, 2023 compared to 2.34% for the three months ended March 31, 2022, inclusive of the effects of the cash flow hedges. Based on our current interest rate projections, we estimate that our overall weighted average interest rate will approximate 4.25% for the remainder of 2023.

Income Tax Expense. We recorded income tax expense of \$9.6 million during the three months ended March 31, 2023, at an effective income tax rate of 54%, compared to an income tax expense of \$4.7 million during the three months ended March 31, 2022, at an effective income tax rate of 20%. The difference between the effective income tax rate as compared to the statutory income tax rate was primarily due to the effects of excess (shortfall) tax benefit (expense) associated with the exercise or expiration of stock options and vesting of restricted stock, which had a more significant impact to the effective tax rate for 2023 due to the shortfall tax expense in 2023 compared to an excess tax benefit in 2022 and unbenefited losses of foreign subsidiaries. The effective income tax rate may fluctuate from quarter to quarter for various reasons, including changes to income before income tax, jurisdictional mix of income before income tax, valuation allowances, jurisdictional income tax rate changes, as well as discrete items such as non-deductible transaction costs, the settlement of foreign, federal and state tax matters and the effects of excess (shortfall) tax benefit (expense) associated with the exercise or expiration of stock options and vesting of restricted stock.

During the three months ended March 31, 2023, the net shortfall tax expense from stock-based compensation expense increased tax expense by \$2.1 million. During the three months ended March 31, 2022, the excess tax benefits decreased income tax expense by \$2.0 million. For the three months ended March 31, 2023 and 2022, prior to the inclusion of the excess (shortfall) tax benefit (expense), other discrete items and unbenefited losses in certain foreign jurisdictions, the effective tax rate approximated 30% and 27%, respectively.

Adjusted EBITDA and Adjusted Income from Operations. Adjusted EBITDA increased \$7.0 million, or 11%, and adjusted income from operations increased \$5.5 million, or 18% for the three months ended March 31, 2023 over the comparable period in 2022 primarily as a result of the increase in gross profit in the full service center-based child care segment.

Adjusted Net Income. Adjusted net income increased \$0.6 million, or 2%, for the three months ended March 31, 2023 when compared to the same period in 2022, primarily due to the increase in adjusted income from operations, partially offset by higher interest expense and a higher effective tax rate.

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 GAAP to supplement our consolidated financial statements presented on a GAAP basis. These non-GAAP financial measures of adjusted EBITDA, adjusted income from operations, adjusted net income and diluted adjusted earnings per common share are reconciled from their respective measures determined under GAAP as follows:

	Three Months Ended March 31,	
	2023	2022
(In thousands, except share data)		
Net income	\$ 8,126	\$ 19,406
Interest expense — net	12,916	7,046
Income tax expense	9,603	4,712
Depreciation	19,112	18,427
Amortization of intangible assets ^(a)	8,198	7,149
EBITDA	57,955	56,740
<i>Additional adjustments:</i>		
Stock-based compensation expense ^(b)	5,850	6,096
Other costs ^(c)	6,040	—
Total adjustments	11,890	6,096
Adjusted EBITDA	\$ 69,845	\$ 62,836
Income from operations	\$ 30,645	\$ 31,164
Other costs ^(c)	6,040	—
Adjusted income from operations	\$ 36,685	\$ 31,164
Net income	\$ 8,126	\$ 19,406
Income tax expense	9,603	4,712
Income before income tax	17,729	24,118
Amortization of intangible assets ^(a)	8,198	7,149
Stock-based compensation expense ^(b)	5,850	6,096
Other costs ^(c)	6,040	—
Interest on deferred consideration ^(d)	1,454	—
Adjusted income before income tax	39,271	37,363
Adjusted income tax expense ^(e)	(10,996)	(9,640)
Adjusted net income	\$ 28,275	\$ 27,723
Weighted average common shares outstanding — diluted	57,709,909	59,415,345
Diluted adjusted earnings per common share	\$ 0.49	\$ 0.47

- (a) Amortization of intangible assets represents amortization expense, including quarterly amortization expense of approximately \$5.0 million associated with intangible assets recorded in connection with our going private transaction in May 2008.
- (b) Stock-based compensation expense represents non-cash stock-based compensation expense in accordance with Accounting Standards Codification Topic 718, *Compensation-Stock Compensation*.
- (c) Other costs in the three months ended March 31, 2023 consist of value-added tax expense of \$6.0 million related to prior periods, of which \$4.3 million was associated with the back-up care segment and \$1.7 million was associated with the full service center-based child care segment. Refer to Note 1, *Organization and Basis of Presentation*, to our condensed consolidated financial statements for additional information.
- (d) Interest on deferred consideration represents the imputed interest on the deferred consideration issued in connection with the July 1, 2022 acquisition of Only About Children, a child care operator in Australia.
- (e) Adjusted income tax expense represents income tax expense calculated on adjusted income before income tax at an effective tax rate of approximately 28% and 26% for the three months ended March 31, 2023 and 2022, respectively. The prior year tax rate included net excess income tax benefits related to equity transactions, which are not projected in 2023. The jurisdictional mix of the expected adjusted income before income tax for the full year 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 and may not be comparable to other similarly titled measures. 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, stock-based compensation expense and non-recurring costs, such as value-added-tax expense related to prior periods, and, at times, other non-recurring costs, such as, impairment costs and other costs incurred due to the impact of COVID-19, transaction costs, loss on foreign currency forward contracts, and net costs incurred in relation to a cyber incident. 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 (used in) 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 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. We understand 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 our 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, our 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; and
- 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 early education and child care centers, back-up care, educational advisory and other services, the addition of new centers through development or acquisitions, and debt financing obligations. Our primary sources of liquidity are our existing cash, cash flows from operations, and borrowings available under our revolving credit facility. We had \$44.6 million in cash (\$59.9 million including restricted cash) at March 31, 2023, of which \$31.9 million was held in foreign jurisdictions, compared to \$36.2 million in cash (\$51.9 million including restricted cash) at December 31, 2022, of which \$22.4 million was held in foreign jurisdictions. Operations outside of North America accounted for 28% and 25% of our consolidated revenue in the three months ended March 31, 2023 and 2022, respectively. The net impact on our liquidity from changes in foreign currency exchange rates was not material for the three months ended March 31, 2023 and 2022. While we expect to be impacted by fluctuations in the foreign currency exchange rates throughout the year, we do not currently expect that the effects of changes in foreign currency exchange rates will have a material net impact on our liquidity, capital resources or results from operations for the remainder of 2023.

On July 1, 2022, we completed the acquisition of the outstanding shares of Only About Children, a child care operator in Australia, for aggregate consideration of AUD\$450 million. We paid approximately AUD\$300 million (USD\$207 million), net of cash acquired, and will pay an additional USD\$106.5 million 18 months after closing. The initial purchase price was financed with cash on hand. In addition, we funded AUD\$14.1 million (USD\$9.7 million) for cash-backed guarantees for leases that are recorded as restricted cash on our consolidated balance sheet.

Our \$400 million revolving credit facility is part of our senior secured credit facilities, which also includes term loans. At March 31, 2023 and December 31, 2022, \$350.3 million and \$310.8 million of the revolving credit facility was available for borrowing, respectively.

We had a working capital deficit of \$417.0 million and \$438.6 million at March 31, 2023 and December 31, 2022, respectively. Our working capital deficit has primarily arisen from using cash to make long-term investments in fixed assets and acquisitions, deferred consideration issued in relation to an acquisition and from share repurchases. We anticipate that our cash flows from operating activities will continue to improve, but will be further impacted while our center enrollment re-ramps and performance continues to recover. As we focus on the enrollment and ramping of centers, we expect to continue to prioritize our capital allocation on investments that support current operations and strategic opportunities, as well as the principal and interest payments on our debt and revolver, and payment of deferred consideration.

During the three months ended March 31, 2023 and 2022, we participated in government support programs that were enacted in response to the economic impact of the COVID-19 pandemic, including certain tax deferrals and federal block grant funding in the United States. We expect to receive less government support in 2023 as most of the programs for which we are eligible are currently expected to end by September 30, 2023. During the three months ended March 31, 2023 and 2022, \$21.6 million and \$25.3 million, respectively, was recorded as a reduction to cost of services in relation to these benefits, of which \$7.4 million and \$9.5 million, respectively, reduced the operating subsidy revenue due from employers for the related child care centers. Additionally, during the three months ended March 31, 2023 and 2022, amounts received for tuition support of \$0.6 million and \$2.0 million, respectively, were recorded to revenue. As of March 31, 2023 and December 31, 2022, \$2.5 million and \$1.2 million, respectively, was recorded in prepaid expenses and other current assets on the consolidated balance sheet for amounts due from government support programs. As of March 31, 2023 and December 31, 2022, \$4.2 million and \$4.6 million, respectively, was recorded to other current liabilities related to government support received related to future periods.

The board of directors authorized a share repurchase program of up to \$400 million of our outstanding common stock, effective December 16, 2021. The share repurchase program has no expiration date. During the three months ended March 31, 2023, we did not make any share repurchases, and at March 31, 2023, \$198.3 million remained available under the repurchase program. During the three months ended March 31, 2022, we repurchased 0.3 million shares for \$39.7 million. All repurchased shares have been retired.

We believe that funds provided by operations, our existing cash balances, and borrowings available under our revolving credit facility will be adequate to fund all obligations and liquidity requirements for at least the next 12 months. However, if we were to experience renewed disruption from the COVID-19 pandemic or other similar global health crisis or if we were to undertake any significant acquisitions or make investments in the purchase of facilities for new or existing centers, we could require financing beyond our existing cash and borrowing capacity, and it could be necessary for us to obtain additional debt or equity financing. We may not be able to obtain such financing on reasonable terms, if at all.

Cash Flows	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Net cash provided by operating activities	\$ 67,313	\$ 58,558
Net cash used in investing activities	\$ (18,229)	\$ (9,353)
Net cash used in financing activities	\$ (40,963)	\$ (52,129)
Cash, cash equivalents and restricted cash — beginning of period	\$ 51,894	\$ 265,281
Cash, cash equivalents and restricted cash — end of period	\$ 59,901	\$ 261,752

Cash Provided by Operating Activities

Cash provided by operating activities was \$67.3 million for the three months ended March 31, 2023, compared to \$58.6 million for the same period in 2022. The increase in cash provided by operations relates primarily to the payment of \$5.4 million in 2022 for contingent consideration related to the post acquisition change in fair value, which did not occur in 2023. The other changes largely offset and are due to a larger amount of cash provided by working capital when compared to the prior year, arising from the timing of billings and payments, partially offset by the decrease in net income.

Cash Used in Investing Activities

Cash used in investing activities was \$18.2 million for the three months ended March 31, 2023 compared to \$9.4 million for the same period in 2022, an increase of \$8.8 million. The increase in cash used in investing activities was primarily related to an increase in fixed asset purchases. During the three months ended March 31, 2023, we invested \$19.3 million in fixed asset purchases for new child care centers, maintenance and refurbishments in our existing centers and technology, compared to an investment of \$11.6 million during the same period in the prior year. Net proceeds received from debt securities and other investments were \$1.2 million in the three months ended March 31, 2023, compared to net cash provided in investments of \$2.4 million during the same period in the prior year.

Cash Used in Financing Activities

Cash used in financing activities was \$41.0 million for the three months ended March 31, 2023 compared to \$52.1 million for the same period in 2022. The decrease in cash used in financing activities was primarily related to payments of contingent consideration for acquisitions of \$0.2 million compared to \$13.9 million in 2022. Share repurchases of \$39.9 million in 2022 did not occur in 2023 and are largely offset by net payments related to our revolving credit facility of \$39.5 million in 2023, which did not occur in 2022. Additionally, proceeds received from the exercise of stock options and the issuance and sale of restricted stock in the three months ended March 31, 2023 decreased by \$4.5 million compared to the prior year due to lower volume of transactions. Proceeds from the exercise of stock options were \$4.3 million in the three months ended March 31, 2023 and proceeds received from the exercise of stock options and the issuance and sale of restricted stock were \$8.8 million during the same period in 2022.

Debt

Our senior secured credit facilities consist of a \$600 million term loan B facility (“term loan B”), a \$400 million term loan A facility (“term loan A”) and a \$400 million multi-currency revolving credit facility (“revolving credit facility”).

Long term debt obligations were as follows:

	March 31, 2023	December 31, 2022
	(In thousands)	
Term loan B	\$ 592,500	\$ 594,000
Term loan A	387,500	390,000
Deferred financing costs and original issue discount	(6,124)	(6,419)
Total debt	973,876	977,581
Less current maturities	(16,000)	(16,000)
Long-term debt	\$ 957,876	\$ 961,581

On December 21, 2022, the Company amended its existing senior secured credit facilities to replace the LIBOR-based benchmark rate with a term SOFR benchmark rate, which did not alter the applicable interest rates held in effect prior to the change.

The seven year term loan B matures on November 23, 2028 and requires quarterly principal payments equal to 1% per annum of the original aggregate principal amount of the term loan B, with the remaining principal balance due at maturity. The five year term loan A matures on November 23, 2026 and requires quarterly principal payments equal to 2.5% per annum of the original aggregate principal amount of the term loan A in each of the first three years, 5.0% in the fourth year, and 7.5% in the fifth year. The remaining principal balance is due at maturity.

The revolving credit facility matures on May 26, 2026. At March 31, 2023, borrowings outstanding on the revolving credit facility were \$44.5 million and letters of credit outstanding were \$5.2 million. At December 31, 2022, borrowings outstanding on the revolving credit facility were \$84.0 million and letters of credit outstanding were \$5.2 million.

Borrowings under the credit facilities are subject to variable interest. We mitigate our interest rate exposure with interest rate cap agreements. In June 2020, we entered into interest rate cap agreements with a total notional value of \$800 million. These interest rate cap agreements, designated and accounted for as cash flow hedges, provide us with interest rate protection in the event the one-month LIBOR rate increases above 1% (effective December 30, 2022, one-month term SOFR rate increases above 0.9%). Interest rate cap agreements for \$300 million notional value have an effective date of June 30, 2020 and expire on October 31, 2023, while interest rate cap agreements for another \$500 million notional amount have an effective date of October 29, 2021, and expire on October 31, 2023. In December 2021, we entered into interest rate cap agreements with a total notional value of \$900 million designated and accounted for as cash flow hedges. Interest rate cap agreements for \$600 million, which have a forward starting effective date of October 31, 2023 and expire on October 31, 2025, provide the Company with interest rate protection in the event the one-month LIBOR rate increases above 2.5% (effective December 30, 2022, one-month term SOFR rate increases above 2.4%). Interest rate cap agreements for \$300 million, which have a forward starting effective date of October 31, 2023 and expire on October 31, 2026, provide the Company with interest rate protection in the event the one-month LIBOR rate increases above 3.0% (effective December 30, 2022, one-month term SOFR rate increases above 2.9%).

The blended weighted average interest rate for the term loans and revolving credit facility was 3.97% and 2.34% for the three months ended March 31, 2023 and 2022, respectively, including the impact of the cash flow hedges. Based on our current interest rate projections, we estimate that our overall weighted average interest rate will approximate 4.25% for the remainder of 2023.

The term loan A and the revolving credit facility require Bright Horizons Family Solutions LLC, the borrower, and its restricted subsidiaries, to comply with a maximum first lien net leverage ratio. A 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 covenant at March 31, 2023. Refer to Note 6, *Credit Arrangements and Debt Obligations*, to our condensed consolidated financial statements for additional information on our debt and credit arrangements, future principal payments of long-term debt, and covenant requirements.

Critical Accounting Policies

For a discussion of our “Critical Accounting Policies,” refer to Part II, Item 7, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” in our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes to our critical accounting policies since December 31, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and fluctuations in foreign currency exchange rates. We do not believe there have been material changes in our exposure to interest rate or foreign currency exchange rate fluctuations since December 31, 2022. 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, 2022 for further information regarding market risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2023, we conducted an evaluation under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), regarding the effectiveness of the design and operation of our 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 in reports that we file or submit under the Exchange Act is 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 is 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 March 31, 2023.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

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

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, which could adversely affect our business, financial condition and operating results. We believe that these risks and uncertainties include, but are not limited to, those disclosed in Part I, Item 1A, “*Risk Factors*,” of our Annual Report on Form 10-K for the year ended December 31, 2022. The risks described in our Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial, could materially impair our business, financial condition or results of operations. There have been no material changes to our risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022.

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 March 31, 2023:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share (b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) (c)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (In thousands) (1) (d)
January 1, 2023 to January 31, 2023	—	\$ —	—	\$ 198,290
February 1, 2023 to February 28, 2023	—	\$ —	—	\$ 198,290
March 1, 2023 to March 31, 2023	—	\$ —	—	\$ 198,290
	—	—	—	—

(1) The board of directors of the Company authorized a share repurchase program of up to \$400 million of the Company’s outstanding common stock effective December 16, 2021. The share repurchase program has no expiration date. All repurchased shares have been retired.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

(a) Exhibits:

Exhibit Number	Exhibit Title
10.1*†	Form of Restricted Stock Unit Agreement (U.S. Employees) under the 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019.
10.2*†	Form of Non-Statutory Stock Option Agreement (U.S. Employees) under the 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019.
10.3*†	Form of Performance Stock Unit Agreement (U.S. Employees) under the 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019.
10.4*†	Form of Restricted Stock Unit Agreement (Non-U.S. Employees) under the 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019.
10.5*†	Form of Non-Statutory Stock Option Agreement (Non-U.S. Employees) under the 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019.
10.6*†	Form of Performance Stock Unit Agreement (Non-U.S. Employees) under the 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019.
31.1*	Principal Executive Officer Certification Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to 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 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*	Inline XBRL Instance Document - the instance document does not appear in Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

* 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: May 8, 2023

By: /s/ Elizabeth Boland

Elizabeth Boland
Chief Financial Officer
(Duly Authorized Officer)

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 May 29, 2019

Restricted Stock Unit Agreement (Employees)

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 and subject to the terms of the Bright Horizons Family Solutions Inc. 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019 (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. In addition, for purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) “Applicable Agreement” means a written employment, severance or change in control agreement between the Grantee and the Company or an Affiliate, as may be amended from time to time.

(b) “Cause” shall have the following meaning: (A) if the Grantee is a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth therein, or (B) if the Grantee is not a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth in the Plan.

(c) “CIC Termination” means an Involuntary Termination that occurs upon or within 12 months following the date of the Covered Transaction.

(d) “Good Reason” shall have the following meaning: (A) if the Grantee is a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall have the meaning set forth therein, or (B) if the Grantee is not a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall mean any material diminution in the Grantee’s base salary, bonus opportunity, position or nature or scope of responsibilities (other than by inadvertence) or any material reduction in the Grantee’s benefits that uniquely and disproportionately affects the Grantee, in each case occurring without the Grantee’s consent and as to which (x) the Grantee has provided notice to the Company within 30 days of the date on which the Grantee knew or reasonably should have known of such diminution or reduction, (y) the Company shall not have remedied such diminution or reduction within 30 days of receiving

such notice, and (z) the Grantee shall have terminated the Grantee's Employment within 10 days after the Company's failure to remedy such diminution or reduction.

(e) "Involuntary Termination" means the Grantee's termination of Employment from the Company on account of a termination by the Company without Cause, other than on account of death or Disability, or by the Grantee for Good Reason.

3. Vesting.

(a) Service-Based Vesting. The Award shall vest as follows: [the third anniversary of the Grant Date]; provided, in each case, that the Grantee has remained in continuous Employment from the Grant Date through the applicable vesting date.

(b) Covered Transaction.

(i) If a Covered Transaction occurs before the Award is fully vested in accordance with the vesting schedule set out in Section 3(a) above, the Award shall be treated as described in this Section 3(b). Notwithstanding anything to the contrary, the Administrator may take such other actions with respect to the Award (including in respect of vesting) as it deems appropriate pursuant to the Plan.

(ii) [**For executive officers as determined by the Administrator ("Officers")**]: Provided the Grantee has remained in continuous Employment from the Grant Date through the date of the Covered Transaction, if either (i) the Grantee has remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction or (ii) the Restricted Stock Units are not assumed, substituted or otherwise continued following the Covered Transaction, then the Award shall become fully vested immediately prior to the Covered Transaction. However, if (A) the Grantee has not remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction, (B) there is an acquiring or surviving entity as a result of the Covered Transaction and the Restricted Stock Units are assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, and (C) the Grantee is not a party to an Applicable Agreement providing otherwise, then the Restricted Stock Units will vest on the earliest to occur of (x) the applicable vesting date pursuant to the vesting schedule set forth in Section 3(a) above, or (y) the date the Grantee incurs a CIC Termination, in each case, subject to the Grantee's continuous Employment through such date.]

[**For non-Officers**]: Except as otherwise provided in an Applicable Agreement, if any, provided the Grantee has remained in continuous Employment from the Grant Date through the date of the Covered Transaction, the Restricted Stock Units shall become fully vested immediately prior to the Covered Transaction; provided, however, that if there is an acquiring or surviving entity as a result of the Covered Transaction and the Award is assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, the Restricted Stock Units shall vest on the earliest to occur of (x) the applicable vesting date pursuant to the vesting schedule set forth in Section 3(a) above, or (y) the date the Grantee incurs a CIC Termination, in each case, subject to the Grantee's continuous Employment through such date.]

(iii) For the avoidance of doubt, if the date of the Covered Transaction occurs after any applicable vesting date pursuant to the vesting schedule set forth in Section 3(a) above but prior to settlement of the vested Restricted Stock Units, the vested Restricted Stock Units shall be settled in accordance with Sections 3(a) and 4.

(c) Cause. Notwithstanding anything in this Agreement to the contrary, in the event the Grantee's Employment is terminated by the Company for Cause, all outstanding Restricted Stock Units (whether vested or unvested) held by the Grantee shall immediately terminate and be of no further force or effect.

(d) Other Termination. Except as set forth in Section 3(b), if the Grantee's Employment terminates for any reason before the Award vests, any unvested Restricted Stock Units shall automatically terminate and shall be forfeited as of the date of the Grantee's termination of Employment. No payment shall be made with respect to any unvested Restricted Stock Units that terminate as described in this Section 3(d). No Restricted Stock Units shall vest after the Grantee's Employment has terminated for any reason.

(e) Additional Vesting Terms. The vesting of the Restricted Stock Units shall be cumulative, but shall not exceed 100% of the Restricted Stock Units. To the extent applicable, if the vesting schedule would produce fractional Restricted Stock Units, the number of Restricted Stock Units that vest shall be rounded down to the nearest whole Restricted Stock Unit and the fractional Restricted Stock Units will be accumulated so that the resulting whole Restricted Stock Units will be included in the number of Restricted Stock Units that become vested on the last vesting date.

4. Delivery of Stock. If and when the Restricted Stock Units vest, the Company shall issue to the Grantee one share of Stock for each vested Restricted Stock Unit (unless cash or other securities are issued upon vesting in connection with a Covered Transaction), subject to applicable tax withholding obligations. Payment shall be made within 30 days after the applicable vesting date, and subject to the provisions of the Plan, the Company shall deliver to the Grantee a stock certificate for that number of shares of Stock equal to the number of vested Restricted Stock Units or if the shares of Stock are held in book-entry form, the Company may take such steps as it deems necessary or appropriate to record such shares of Stock.

5. Dividends; Other Rights. Restricted Stock Units represent hypothetical shares of Stock, and not actual shares of Stock. 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 the Grantee's 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) All obligations of the Company under this Agreement shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable. The Grantee expressly acknowledges and agrees that the Grantee's 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 shares of Stock from any payment hereunder in accordance with the procedures approved by the Board or the Compensation Committee) all taxes required to be withheld in connection with payment of the Restricted Stock Units.

(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.

(c) This Agreement is intended to be exempt from section 409A of the Code, under the “short-term deferral” exception and to the extent this Agreement is subject to section 409A of the Code, it will in all respects be administered in accordance with section 409A of the Code.

9. Effect on Employment. 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 employ or service of the Company or any of its Affiliates, affect any right of the Company or any of its Affiliates to discharge or discipline the Grantee at any time, or affect any right of the Grantee to terminate the Grantee’s Employment at any time.

10. Form S-8 Prospectus. The Grantee acknowledges that the Grantee 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 _____, 20____.

Company: BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: _____
Name:
Title:

Grantee:

Name:
Address:

[Signature Page to Restricted Stock Unit Agreement]

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 May 29, 2019

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 and subject to the terms of the Bright Horizons Family Solutions Inc. 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019 (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. In addition, for purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) “Applicable Agreement” means a written employment, severance or change in control agreement between the Optionee and the Company or an Affiliate, as may be amended from time to time.

(b) “Cause” shall have the following meaning: (A) if the Optionee is a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth therein, or (B) if the Optionee is not a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth in the Plan.

(c) “CIC Termination” means an Involuntary Termination that occurs upon or within 12 months following the date of the Covered Transaction.

(d) “Good Reason” shall have the following meaning: (A) if the Optionee is a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall have the meaning set forth therein, or (B) if the Optionee is not a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall mean any material diminution in the Optionee’s base salary, bonus opportunity, position or nature or scope of responsibilities (other than by inadvertence) or any material reduction in the Optionee’s benefits that uniquely and disproportionately affects the Optionee, in each case occurring without the Optionee’s consent and as to which (x) the Optionee has provided notice to the Company within 30 days of the date on which the Optionee knew or reasonably should have known of such diminution or reduction, (y) the Company shall not have remedied such diminution or reduction within 30 days of receiving such notice, and (z) the Optionee shall have terminated the Optionee’s Employment within 10 days after the Company’s failure to remedy such diminution or reduction.

(e) “Involuntary Termination” means the Optionee’s termination of Employment from the Company on account of a termination by the Company without Cause, other than on account of death or Disability, or by the Optionee for Good Reason.

3. Vesting.

(a) Service-Based Vesting. Unless earlier terminated, forfeited, relinquished or expired, and except as set forth in Section 3(b) below, the Stock Option shall vest [(i) as to 33% of the total number of Shares subject to the Stock Option on the first and second anniversaries of the Date of Grant; and (ii) as to an additional 34% of the total number of Shares subject to the Stock Option on the third anniversary of the Date of Grant], 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.

(b) Covered Transaction.

(i) If a Covered Transaction occurs before the Stock Option is fully vested in accordance with the vesting schedule set out in Section 3(a) above, the Stock Option shall be treated as described in this Section 3(b). Notwithstanding anything to the contrary, the Administrator may take such other actions with respect to the Stock Option (including in respect of vesting) as it deems appropriate pursuant to the Plan.

(ii) **[For executive officers as determined by the Administrator (“Officers”):** In the event of a Covered Transaction before the Stock Option is fully vested and exercisable in accordance with the vesting schedule set out in Section 3(a) above and provided the Optionee has remained in continuous Employment from the Date of Grant through the date of the Covered Transaction, if either (i) the Optionee has remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction or (ii) the Stock Option is not assumed, substituted or otherwise continued following the Covered Transaction, then the Stock Option shall become fully vested and exercisable immediately prior to the Covered Transaction. However, if (A) the Optionee has not been in continuous Employment for at least two years immediately prior to the date of the Covered Transaction, (B) there is an acquiring or surviving entity as a result of the Covered Transaction and the Stock Option is assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, and (C) the Optionee is not a party to an Applicable Agreement providing otherwise, then the Stock Option will vest and become exercisable on the earliest to occur of (x) the applicable vesting date

pursuant to the vesting schedule set forth in Section 3(a) above, or (y) the date the Optionee incurs a CIC Termination, in each case, subject to the Optionee's continuous Employment through such date.]

[For non-Officers: Except as otherwise provided in an Applicable Agreement, if any, provided the Optionee has remained in continuous Employment from the Date of Grant through the date of the Covered Transaction, the Stock Option shall become fully vested and exercisable immediately prior to the Covered Transaction; provided, however, that if there is an acquiring or surviving entity as a result of the Covered Transaction and the Stock Option is assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, the Stock Option shall vest and become exercisable on the earliest to occur of (x) the applicable vesting date pursuant to the vesting schedule set forth in Section 3(a) above, or (y) the date the Optionee incurs a CIC Termination, in each case, subject to the Optionee's continuous Employment through such date.]

(c) Cause. Notwithstanding anything in this Agreement to the contrary, in the event the Optionee's Employment is terminated by the Company for Cause, the entire outstanding Stock Option (whether vested or unvested) held by the Optionee shall immediately terminate and be of no further force or effect.

(d) Method of Exercise. 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 tenth (10th) 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. Covered Transaction. In the event of a Covered Transaction, in addition to the vesting terms set forth in Section 3(b)(ii), any unexercised portion of the Stock Option as of the Covered Transaction that is not assumed, substituted or otherwise continued following the Covered Transaction shall be cashed out in accordance with Section 7(a)(2) of the Plan.

5. Forfeiture; Recovery of Compensation. Except as otherwise provided in an Applicable Agreement or as set forth in Section 3(b) above, if the Optionee ceases Employment for any reason before the Stock Option is fully vested and exercisable in accordance with this Agreement, any portion of the Stock Option has not yet vested and become exercisable shall automatically terminate and be forfeited as of the date on which the Optionee ceases Employment. 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 10 of this Agreement.

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

7. 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, including by withholding shares of Stock from any payment hereunder in accordance with the procedures approved by the Board or the Compensation Committee) 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.

8. 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.

9. 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.

10. 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 ____, 20____.

Company: BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: _____
Name:
Title:

Optionee:

Name:
Address:

[Signature Page to Non-Statutory Stock Option Agreement]

Name:	[•]
Target Number of Performance Units:	[•]
Date of Grant:	[•]
Performance Period:	The period commencing January 1, [•] and ending December 31, [•]

Bright Horizons Family Solutions Inc.
2012 Omnibus Long-Term Incentive Plan, as Amended and Restated
as of May 29, 2019

Performance Stock Unit Agreement

This agreement (this “Agreement”) evidences the award (the “Award”) by Bright Horizons Family Solutions Inc. (the “Company”) to the undersigned (the “Grantee”) of Stock Units that vest in accordance with certain specified performance criteria, 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 May 29, 2019 (as amended from time to time, the “Plan”), which is incorporated herein by reference.

1. Award of Performance Units. The Company hereby awards to the Grantee on the date of grant set forth above (the “Date of Grant”), a target award of performance-based Stock Units (the “Performance Units”) equal to the Target Number of Performance Units set forth above, subject to the vesting and other conditions of this Agreement. Payment of the Performance Units shall be based on the extent, if any, to which the applicable performance metrics set forth in Schedule A (the “Performance Goals”) are attained during the Performance Period set forth above and the service vesting criteria are satisfied, as set forth in this Agreement.

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. In addition, for purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) “Applicable Agreement” means a written employment, severance or change in control agreement between the Grantee and the Company or an Affiliate, as may be amended from time to time.

(b) “Cause” shall have the following meaning: (A) if the Grantee is a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth therein, or (B) if the Grantee is not a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth in the Plan.

(c) “CIC Termination” means an Involuntary Termination that occurs upon or within 12 months following the date of the Covered Transaction.

(d) “Good Reason” shall have the following meaning: (A) if the Grantee is a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall have the meaning set forth therein, or (B) if the Grantee is not a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall mean any material diminution in the Grantee’s base salary, bonus opportunity, position or nature or scope of responsibilities (other

than by inadvertence) or any material reduction in the Grantee's benefits that uniquely and disproportionately affects the Grantee, in each case occurring without the Grantee's consent and as to which (x) the Grantee has provided notice to the Company within 30 days of the date on which the Grantee knew or reasonably should have known of such diminution or reduction, (y) the Company shall not have remedied such diminution or reduction within 30 days of receiving such notice, and (z) the Grantee shall have terminated the Grantee's Employment within 10 days after the Company's failure to remedy such diminution or reduction. Termination of Employment for Good Reason, as provided herein, is intended to be an involuntary separation of service for purposes of Code Section 409A (as defined below), and shall be construed accordingly.

(e) "Involuntary Termination" means the Grantee's termination of Employment from the Company on account of a termination by the Company without Cause, other than on account of death or Disability, or by the Grantee for Good Reason.

3. Vesting.

(a) General Vesting. Subject to this Section 3, on the third anniversary of the Date of Grant (the "Vesting Date"), the Grantee shall vest in a number of Performance Units, if any, based on the attainment of the Performance Goals in accordance with the terms set forth in Schedule A and continued Employment through the Vesting Date.

(b) Involuntary Termination; Disability; Death. Except as provided in Section 3(c) below, if the Grantee incurs an Involuntary Termination or incurs a termination of Employment on account of death or Disability, then the Grantee shall vest in a number of Performance Units calculated by multiplying the Performance Units (if any) that otherwise would have vested if the Grantee had continued in Employment through the Vesting Date, based on the attainment of the Performance Goals set forth in Schedule A, by a fraction, the numerator of which is the number of months during the Performance Period in which the Grantee was employed by the Company and the denominator of which is 36, provided that in the event the termination of Employment is on account of Involuntary Termination or Disability, the Grantee signs and does not revoke a release and waiver of claims in favor of the Company and its Affiliates in a form provided by the Company (a "Release"). For the avoidance of doubt, the Grantee shall not vest in any Performance Units that have been forfeited in accordance with the terms set forth in Schedule A.

(c) Covered Transaction.

(i) If a Covered Transaction occurs during the Performance Period, the Performance Units shall be treated as described in this Section 3(c). Notwithstanding anything to the contrary, the Administrator may take such other actions with respect to the Performance Units (including in respect of vesting) as it deems appropriate pursuant to the Plan.

(ii) **[For executive officers as determined by the Administrator ("Officers"):** Provided the Grantee has remained in continuous Employment from the Grant Date through the date of the Covered Transaction, if either (i) the Grantee has remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction or (ii) the Performance Units are not assumed, substituted or otherwise continued following the Covered Transaction, then the Performance Units shall become fully vested immediately prior to the Covered Transaction assuming "Target"-level achievement of the Performance Goals. However, if (A) the Grantee has not remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction, (B) there is an acquiring or surviving entity as a result of the Covered Transaction and the Performance Units are assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, and (C) the

Grantee is not a party to an Applicable Agreement providing otherwise, then the Performance Units will vest assuming “Target”-level achievement of the Performance Goals on the earlier to occur of (x) the Vesting Date, or (y) the date the Grantee incurs a CIC Termination, in each case, subject to the Grantee’s continuous Employment through such date.]

[For non-Officers: Except as otherwise provided in an Applicable Agreement, if any, provided the Grantee has remained in continuous Employment from the Grant Date through the date of the Covered Transaction, the Performance Units shall become fully vested immediately prior to the Covered Transaction assuming “Target”-level achievement of the Performance Goals; provided that if there is an acquiring or surviving entity as a result of the Covered Transaction and the Performance Units are assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, the Performance Units shall become fully vested assuming “Target”-level achievement of the Performance Goals on the earlier to occur of (x) the Vesting Date, or (y) the date the Grantee incurs a CIC Termination, in each case, subject to the Grantee’s continuous Employment through such date.]

(iii) For the avoidance of doubt, if the date of the Covered Transaction occurs after the Vesting Date but prior to settlement of any vested Performance Units, the vested Performance Units shall be settled in accordance with Sections 3(a) and 6 and Schedule A. Additionally, for the avoidance of doubt, the Grantee shall not vest in any Performance Units under this Section 3(c) that have been forfeited in accordance with the terms set forth in Schedule A.

(d) Cause. Notwithstanding anything in this Agreement to the contrary, in the event the Grantee’s Employment is terminated by the Company for Cause, all outstanding Performance Units (whether vested or unvested) held by the Grantee shall immediately terminate and be of no further force or effect.

(e) Other Termination. Except as provided in Sections 3(b) and 3(c), in the event of a termination of Employment prior to the Vesting Date, the Grantee shall forfeit all unvested Performance Units. No payment shall be made with respect to any unvested Performance Units that terminate as described in this Section 3(e). No Performance Units shall vest after the Grantee’s Employment has terminated for any reason.

4. Performance Units Account.

The Company shall establish a bookkeeping account on its records for the Grantee and shall credit the Grantee’s Performance Units to the bookkeeping account.

5. Dividend Equivalents.

Dividend equivalents shall accrue with respect to the Grantee’s Performance Units and shall be payable subject to the same vesting terms and other conditions as the Performance Units to which they relate. Dividend equivalents shall be credited on the Performance Units when dividends are declared on shares of Stock from the Grant Date until the Payment Date (as defined in Section 6(a)) for the vested Performance Units. The Company will keep records of dividend equivalents in a non-interest bearing bookkeeping account for the Grantee. No interest will be credited to any such account. Vested dividend equivalents shall be paid in cash at the same time and subject to the same terms as the underlying vested Performance Units. If and to the extent that the underlying Performance Units are forfeited, all related dividend equivalents shall also be forfeited.

6. Conversion of Performance Units.

(a) The Grantee shall be entitled to receive payment of the vested Performance Units (i) within 60 days after the Vesting Date with respect to Performance Units that vest under Section 3(a) or Section 3(b) (upon a termination on account of Involuntary Termination, death or Disability), or (ii) within 60 days following the applicable date specified in Section 3(c) in connection with Performance Units that vest in connection with a Covered Transaction as specified therein (in any case, the “Payment Date”).

(b) Subject to Section 3(c), on the applicable Payment Date, each vested Performance Unit credited to the Grantee’s account shall be settled in whole shares of Stock of the Company equal to the number of vested Performance Units, subject to compliance with the six-month delay described in Section 17 below, if applicable, and the payment of any federal, state and local withholding taxes as described in Section 13 below. The obligation of the Company to distribute shares of Stock shall be subject to the rights of the Company as set forth in the Plan and to all applicable laws, rules, regulations, and such approvals by governmental agencies as may be deemed appropriate by the Administrator, including as set forth in Section 15 below.

(c) For the avoidance of doubt, the Grantee shall forfeit all Performance Units if the Grantee’s Employment is terminated for Cause prior to the Payment Date under this Section 6.

7. Certain Corporate Changes.

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 (or any successor provision), the Administrator shall make appropriate adjustments to, as provided in the Plan, the number and class of shares or securities of the Company underlying the Performance Units held by the Grantee, the number of shares of Stock for which the Performance Units may vest, the Performance Goals, and any other provision of the Performance Units affected by such change. Any adjustment that occurs under the terms of this Section 7 or the Plan will not change the timing or form of payment with respect to any Performance Units except in accordance with section 409A of the Internal Revenue Code of 1986, as amended (“Code Section 409A”).

8. No Stockholder Rights.

The Grantee has no voting rights and no other ownership rights and privileges of a stockholder with respect to the shares of Stock subject to the Performance Units, except as otherwise provided in Section 5.

9. Effect on Employment.

Neither the award of the Performance Units, nor the vesting of the Performance Units, 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 the Grantee’s Employment at any time.

10. Amendment.

This award of Performance Units may be amended by the Administrator in accordance with Section 9 of the Plan.

11. Notice.

Any notice to the Company provided for in this Agreement shall be addressed to it in care of the Secretary of the Company and any notice to the Grantee shall be addressed to such Grantee at the current address shown on the payroll system of the Company or a subsidiary thereof, or to such other address as the Grantee may designate to the Company in writing. Any notice provided for hereunder shall be delivered by hand, sent by telecopy or electronic mail, or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage and registry fee prepaid in the United States mail, or other mail delivery service. Notice to the Company shall be deemed effective upon receipt. By receipt of this Agreement, the Grantee hereby consents to the delivery of information (including without limitation, information required to be delivered to the Grantee pursuant to the applicable securities laws) regarding the Company, the Plan, and the Performance Units via the Company's electronic mail system or other electronic delivery system.

12. Incorporation of Plan by Reference.

This Agreement is made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Administrator shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Performance Units awarded under this Agreement constitutes the Grantee's acknowledgment that all decisions and determinations of the Administrator with respect to the Plan, this Agreement, and/or the Performance Units shall be final and binding on the Grantee, the Grantee's beneficiaries, and any other person having or claiming an interest in such Performance Units. The settlement of any award with respect to Performance Units is subject to the provisions of the Plan and to interpretations, regulations, and determinations concerning the Plan as established from time to time by the Administrator in accordance with the provisions of the Plan.

13. Income Taxes; Withholding Taxes.

The Grantee agrees, as a condition of receiving the Performance Units, to pay to the Company or a subsidiary, as applicable, or make arrangement satisfactory to the Company regarding the payment of, all applicable federal, state and local taxes (including the Grantee's FICA obligation) required by law to be withheld with respect to the Performance Units. The Grantee is solely responsible for the satisfaction of all taxes and penalties that may arise in connection with the Performance Units pursuant to this Agreement. At the time of taxation, the Company shall have the right to deduct from amounts payable with respect to the Performance Units, including by withholding shares of Stock, an amount equal to the federal (including FICA), state and local income and payroll taxes and other amounts as may be required by law to be withheld with respect to the Performance Units. Without limiting the foregoing, upon payment of the Performance Units, the Company shall withhold shares subject to the vested Performance Units to cover any of the applicable withholding for related FICA tax and income tax liabilities at the minimum applicable tax rate.

14. Governing Law.

The validity, construction, interpretation, and effect of this instrument shall exclusively be governed by, and determined in accordance with, the applicable laws of the Commonwealth of Massachusetts, excluding any conflicts or choice of law rule or principle.

15. Forfeiture; Recovery of Compensation.

By accepting the Performance Units, the Grantee expressly acknowledges and agrees that the Grantee's rights under the Performance Units, and those of any Stock received following payment of the Performance Units 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 18 of this Agreement.

16. Assignment.

This Agreement shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge, or otherwise dispose of the Performance Units, except in the event of the Grantee's death.

17. Code Section 409A.

This award of Performance Units is intended to be exempt from or comply with the applicable requirements of Code Section 409A and shall be administered in accordance with Code Section 409A. Notwithstanding anything in this Agreement to the contrary, if the Performance Units constitute "deferred compensation" under Code Section 409A and the Performance Units become vested and settled upon the Grantee's termination of Employment, payment with respect to the Performance Units shall be delayed for a period of six months after the Grantee's termination of Employment if the Grantee is a "specified employee" as defined under Code Section 409A (as determined by the Company) and if required pursuant to Code Section 409A. If payment is delayed, the shares of Stock of the Company and accrued cash dividend equivalents shall be distributed within 30 days after the date that is the six-month anniversary of the Grantee's termination of Employment. If the Grantee dies during the six-month delay, the shares of Stock and accrued cash dividend equivalents shall be distributed within 60 days following the Grantee's death in accordance with the Grantee's will or under the applicable laws of descent and distribution. If required by Code Section 409A, payment following vesting on a Covered Transaction can only be made if the Covered Transaction is a "change of control event" as defined under Code Section 409A, and if the Covered Transaction is not a "change of control event" as defined under Code Section 409A, payment will be made within 60 days following the earlier to occur of (x) the Vesting Date, or (y) the date the Grantee incurs a CIC Termination (or as otherwise set forth in Section 6 consistent with Code Section 409A). Notwithstanding any provision to the contrary herein, payments made with respect to this award of Performance Units may only be made in a manner and upon an event permitted by Code Section 409A, and all payments to be made upon a termination of Employment hereunder may only be made upon a "separation from service" as defined under Code Section 409A, if required pursuant to Code Section 409A. To the extent that any provision of this Agreement would cause a conflict with the requirements of Code Section 409A, or would cause the administration of the Performance Units to fail to satisfy the requirements of Code Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law. In no event shall the Grantee, directly or indirectly, designate the calendar year of payment. If the Performance Units constitute "deferred compensation" under Code Section 409A and payment is subject to the execution of a Release, and if such payment could be made in more than one taxable year, payment shall be made in the later taxable year, if required by Code Section 409A.

18. Acknowledgments.

By accepting the award of Performance Units, 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 shall 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 ___, 20___.

Company: BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: _____
Name:
Title:

Grantee:

Name:
Address:

[Signature Page to Performance Stock Unit Agreement]

Schedule A

The Performance Units shall vest based on the three-year average Adjusted EBITDA Growth over the Performance Period, as determined by the Administrator in its sole discretion, subject to the service vesting conditions, as described below in this Schedule A.

1. Vesting. Effective as of the Vesting Date, a number of Performance Units shall vest equal to the product of (i) the number of Performance Units set forth in Section 1 of the Agreement, to the extent such Performance Units remain outstanding and have not otherwise been forfeited, multiplied by (ii) the Vesting Percentage, subject to the Grantee's continued Employment with the Company through the Vesting Date, except as otherwise provided in the Agreement, the Plan or this Schedule A. Performance Units that are no longer eligible to vest following the Administrator's determination of the number of vested Performance Units shall immediately be forfeited to the Company by the Grantee for no consideration as of the date of such determination. Each number, factor and metric used to calculate the number of vested Performance Units shall be determined by the Administrator in its sole discretion.

2. Definitions. The following terms, when used in this Schedule A, will have the meanings set forth below:

(a) "Adjusted EBITDA" means the Company's earnings (loss) before interest, taxes, depreciation and amortization, subject to certain other adjustments made with respect to extraordinary, unusual or infrequently occurring events, as reported or included in the Company's financial results, financial statements and/or Annual Report on Form 10-K.

(b) "Adjusted EBITDA Growth" means, with respect to any Performance Year, the percentage derived from applying the following formula: (i) the Company's actual Adjusted EBITDA for such Performance Year, divided by (ii) the Company's actual Adjusted EBITDA for the calendar year immediately preceding such Performance Year, minus (iii) one.

(c) "Annual Performance Percentage" means, with respect to any Performance Year, the percentage derived from the following table:

Achievement Level	Adjusted EBITDA Growth for the Performance Year	Annual Performance Percentage
Maximum	$\geq [\bullet]\%$	200%
Target	$[\bullet]\%$	100%
Threshold	$[\bullet]\%$	50%
Below Threshold	$< [\bullet]\%$	0%

In the event that the Adjusted EBITDA Growth for the Performance Year falls between any of the stated Adjusted EBITDA Growth percentages in the table above, the Annual Performance Percentage for the Performance Year shall be determined using a linear interpolation from the next lowest stated percentage. For the avoidance of doubt, if the Adjusted EBITDA Growth for any Performance Year falls below the "Threshold" achievement level in the table above then the Annual Performance Percentage for the Performance Year shall be 0%, and if the Adjusted EBITDA Growth for any Performance Year falls above the "Maximum" achievement level in the table above then the Annual Performance Percentage for the Performance Year shall be 200%.

(d) "Performance Year" means any calendar year during the Performance Period.

(e) “Vesting Percentage” shall be the percentage derived from a fraction, (i) the numerator of which is the sum of the Annual Performance Percentage for each Performance Year during the Performance Period, and (ii) the denominator of which is three; provided that, if the Vesting Percentage derived from such fraction is less than 50%, then the Vesting Percentage shall be 0% and no Performance Units shall vest. Notwithstanding anything herein to the contrary, the Administrator may decrease the Vesting Percentage with respect to any of the Performance Units, in its sole discretion.

3. Adjustments. Notwithstanding anything herein or in the Plan to the contrary, the Administrator may adjust the Performance Goals set forth herein to exclude the impact of any acquisitions or dispositions of businesses or business segments by the Company, one-time non-operating charges, unusual or nonrecurring items, accounting changes (including the early adoption of any accounting change mandated by any governing body, organization or authority), changes in tax laws, impact of discontinued operations, restatements of prior period financial results, and any other events or transactions that may result in distortion of such Performance Goals. In addition, if the Administrator determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Performance Goals set forth herein unsuitable, the Administrator may modify such Performance Goals, in whole or in part, as the Administrator deems appropriate and equitable.

* * *

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 May 29, 2019

Restricted Stock Unit Agreement (Employees)

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 and subject to the terms of the Bright Horizons Family Solutions Inc. 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019 (as amended from time to time, the “Plan”), which is incorporated herein by reference, subject to the provisions of Addendum A (Country-Specific Terms for Grantees Outside the U.S.), if applicable.

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. In addition, for purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) “Applicable Agreement” means a written employment, severance or change in control agreement between the Grantee and the Company or an Affiliate, as may be amended from time to time.

(b) “Cause” shall have the following meaning: (A) if the Grantee is a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth therein, or (B) if the Grantee is not a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth in the Plan.

(c) “CIC Termination” means an Involuntary Termination that occurs upon or within 12 months following the date of the Covered Transaction.

(d) “Good Reason” shall have the following meaning: (A) if the Grantee is a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall have the meaning set forth therein, or (B) if the Grantee is not a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall mean any material diminution in the Grantee’s base salary, bonus opportunity, position or nature or scope of responsibilities (other than by inadvertence) or any material reduction in the Grantee’s benefits that uniquely and disproportionately affects the Grantee, in each case occurring without the Grantee’s consent and as to which (x) the Grantee has provided notice to the Company within 30 days of the date on which the Grantee knew or reasonably should have known of such diminution or reduction, (y)

the Company shall not have remedied such diminution or reduction within 30 days of receiving such notice, and (z) the Grantee shall have terminated the Grantee's Employment within 10 days after the Company's failure to remedy such diminution or reduction.

(e) "Involuntary Termination" means the Grantee's termination of Employment from the Company on account of a termination by the Company without Cause, other than on account of death or Disability, or by the Grantee for Good Reason.

3. Vesting.

(a) Service-Based Vesting. The Award shall vest as follows: [the third anniversary of the Grant Date]; provided, in each case, that the Grantee has remained in continuous Employment from the Grant Date through the applicable vesting date.

(b) Covered Transaction.

(i) If a Covered Transaction occurs before the Award is fully vested in accordance with the vesting schedule set out in Section 3(a) above, the Award shall be treated as described in this Section 3(b). Notwithstanding anything to the contrary, the Administrator may take such other actions with respect to the Award (including in respect of vesting) as it deems appropriate pursuant to the Plan.

(ii) [**For executive officers as determined by the Administrator ("Officers")**]: Provided the Grantee has remained in continuous Employment from the Grant Date through the date of the Covered Transaction, if either (i) the Grantee has remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction or (ii) the Restricted Stock Units are not assumed, substituted or otherwise continued following the Covered Transaction, then the Award shall become fully vested immediately prior to the Covered Transaction. However, if (A) the Grantee has not remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction, (B) there is an acquiring or surviving entity as a result of the Covered Transaction and the Restricted Stock Units are assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, and (C) the Grantee is not a party to an Applicable Agreement providing otherwise, then the Restricted Stock Units will vest on the earliest to occur of (x) the applicable vesting date pursuant to the vesting schedule set forth in Section 3(a) above, or (y) the date the Grantee incurs a CIC Termination, in each case, subject to the Grantee's continuous Employment through such date.]

[**For non-Officers**: Except as otherwise provided in an Applicable Agreement, if any, provided the Grantee has remained in continuous Employment from the Grant Date through the date of the Covered Transaction, the Restricted Stock Units shall become fully vested immediately prior to the Covered Transaction; provided, however, that if there is an acquiring or surviving entity as a result of the Covered Transaction and the Award is assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, the Restricted Stock Units shall vest on the earliest to occur of (x) the applicable vesting date pursuant to the vesting schedule set forth in Section 3(a) above, or (y) the date the Grantee incurs a CIC Termination, in each case, subject to the Grantee's continuous Employment through such date.]

(iii) For the avoidance of doubt, if the date of the Covered Transaction occurs after any applicable vesting date pursuant to the vesting schedule set forth in Section 3(a) above but prior to settlement of the vested Restricted Stock Units, the vested Restricted Stock Units shall be settled in accordance with Sections 3(a) and 4.

(c) Cause. Notwithstanding anything in this Agreement to the contrary, in the event the Grantee's Employment is terminated by the Company for Cause, all outstanding Restricted Stock Units (whether vested or unvested) held by the Grantee shall immediately terminate and be of no further force or effect.

(d) Other Termination. Except as set forth in Section 3(b), if the Grantee's Employment terminates for any reason before the Award vests, any unvested Restricted Stock Units shall automatically terminate and shall be forfeited as of the date of the Grantee's termination of Employment. No payment shall be made with respect to any unvested Restricted Stock Units that terminate as described in this Section 3(d). No Restricted Stock Units shall vest after the Grantee's Employment has terminated for any reason.

(e) Termination Date. For purposes of this Agreement, and notwithstanding anything to the contrary in the Plan, the Grantee's Employment will be deemed to terminate on the date that the Grantee ceases to actively be employed or provide services to the Company or an Affiliate and shall not be extended by any notice period mandated or implied under local law during which the Grantee is not actually employed or providing services (*e.g.*, garden leave or similar leave) or during or for which the Grantee receives pay in lieu of notice or severance pay. The Company shall have the sole discretion to determine when the Grantee is no longer in active Employment for purposes of this Agreement, without reference to any other agreement, written or oral, including the Grantee's contract of employment.

(f) Additional Vesting Terms. The vesting of the Restricted Stock Units shall be cumulative, but shall not exceed 100% of the Restricted Stock Units. To the extent applicable, if the vesting schedule would produce fractional Restricted Stock Units, the number of Restricted Stock Units that vest shall be rounded down to the nearest whole Restricted Stock Unit and the fractional Restricted Stock Units will be accumulated so that the resulting whole Restricted Stock Units will be included in the number of Restricted Stock Units that become vested on the last vesting date.

4. Delivery of Stock. If and when the Restricted Stock Units vest, the Company shall issue to the Grantee one share of Stock for each vested Restricted Stock Unit (unless cash or other securities are issued upon vesting in connection with a Covered Transaction), subject to applicable withholding for Taxes (as defined in Section 8(a) below) or payment by the Grantee of such Taxes for which the Grantee is responsible under this Agreement. Payment shall be made within 30 days after the applicable vesting date, and subject to the provisions of the Plan, the Company shall deliver to the Grantee a stock certificate for that number of shares of Stock equal to the number of vested Restricted Stock Units or if the shares of Stock are held in book-entry form, the Company may take such steps as it deems necessary or appropriate to record such shares of Stock.

5. Dividends; Other Rights. Restricted Stock Units represent hypothetical shares of Stock, and not actual shares of Stock. 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 the Grantee's 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 13 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) All obligations of the Company under this Agreement shall be subject to the rights of the Company to withhold amounts required to be withheld for any Taxes, if applicable. The Grantee expressly acknowledges and agrees that the Grantee's rights hereunder are subject to the Grantee promptly paying to the Company or an Affiliate 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 shares of Stock from any payment hereunder in accordance with the procedures approved by the Board or the Compensation Committee) any income taxes, employment taxes, social insurance, social security, payroll tax, national insurance contributions, levies, other contributions, payment on account obligations or other amounts required by law to be collected, withheld or accounted for with respect to the vesting of the Restricted Stock Units (the "Taxes").

(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.

(c) This Agreement is intended to be exempt from section 409A of the Code under the "short-term deferral" exception and to the extent this Agreement is subject to section 409A of the Code, it will in all respects be administered in accordance with section 409A of the Code.

(d) Regardless of any action the Company or an Affiliate takes with respect to any Taxes, the Grantee acknowledges that the ultimate liability for all Taxes legally due by the Grantee is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or an Affiliate. The Grantee further acknowledges that the Company and its Affiliates (i) make no representations or undertakings regarding the treatment of any Taxes in connection with any aspect of the Restricted Stock Units, including the award, vesting or settlement of the Restricted Stock Units and the subsequent sale of any shares of Stock received following the vesting of the Restricted Stock Units and the receipt of any dividends; and (ii) does not commit to structure the terms of the award or any aspect of the Restricted Stock Units to reduce or eliminate the Grantee's liability for Taxes. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company or an Affiliate may be required to collect, withhold or account for Taxes in more than one jurisdiction.

9. Effect on Employment. 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 employ or service of the Company or any of its Affiliates, affect any right of the Company or any of its Affiliates to discharge or discipline the Grantee at any time (subject to compliance with local law and the terms of any applicable employment agreement), or affect any right of the Grantee to terminate the Grantee's Employment at any time.

10. Form S-8 Prospectus. The Grantee acknowledges that the Grantee 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. No Entitlement or Claims for Compensation. In connection with the acceptance of the Restricted Stock Units under this Agreement, the Grantee acknowledges the following:

(a) The Plan is established voluntarily by the Company, the grant of Restricted Stock Units under the Plan is made at the discretion of the Administrator and the Plan may be modified, amended, suspended or terminated by the Company at any time.

(b) The Restricted Stock Units (and any similar awards the Company may in the future grant to the Grantee, even if such awards are made repeatedly or regularly, and regardless of their amount) and the shares of Stock acquired under the Plan (i) are wholly discretionary and occasional, are not a term or condition of employment and do not form part of a contract of employment, or any other working arrangement, between the Grantee and the Company or any Affiliate; (ii) do not create any contractual entitlement to receive future awards or benefits in lieu thereof and are not intended to replace any pension rights or compensation or any superannuation contributions or other statutory entitlement amounts, as applicable; and (iii) do not form part of normal or expected salary or remuneration for purposes of determining pension payments, superannuation contributions or other statutory entitlement amounts (as applicable) or any other purposes, including without limitation termination indemnities, severance, resignation, payment in lieu of notice, redundancy, end of service payments, bonuses, long-term service awards, pension or retirement benefits, superannuation contributions or other statutory entitlement amounts, welfare benefits or similar payments, if applicable, except as otherwise required by the applicable law of any governmental entity to whose jurisdiction the award is subject.

(c) All decisions with respect to future equity grants, if any, will be at the sole discretion of the Administrator.

(d) The Grantee is voluntarily participating in the Plan.

(e) In the event that the Grantee is an employee and the Grantee's employer is not the Company, the grant of the Restricted Stock Units and any similar awards the Company may grant in the future to the Grantee will not be interpreted to form an employment contract or relationship with the Company and, furthermore, the grant of the Restricted Stock Units and any similar awards the Company may grant in the future to the Grantee will not be interpreted to form an employment contract with the Grantee's employer or any Affiliate.

(f) This grant of Restricted Stock Units and any Stock acquired under the Plan in connection with the Restricted Stock Units are not intended to replace any pension rights or compensation or any superannuation contributions or other statutory entitlement amounts, as applicable.

(g) The future value of shares of Stock is unknown and cannot be predicted with certainty. If the Grantee vests in the Restricted Stock Units, the value of the acquired shares of Stock may increase or decrease. The Grantee acknowledges and agrees that neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts received by the Grantee pursuant to the Restricted Stock Units or the subsequent sale of any Stock acquired in connection with the Restricted Stock Units.

(h) The Grantee shall have no rights, claim or entitlement to compensation or damages as a result of the Grantee's termination of Employment for any reason whatsoever, whether or not in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from the Grantee's ceasing to have rights under or be entitled to Restricted Stock Units as a result of such termination or loss or diminution in value of the Restricted Stock Units or any of the Stock received in connection with the Restricted Stock Units

as a result of such termination, and the Grantee irrevocably releases the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Grantee shall be deemed to have irrevocably waived the Grantee's entitlement to pursue such rights or claim.

12. Data Privacy.

(a) The Grantee hereby acknowledges and understands that the Grantee's personal data is collected, retained, used, processed, disclosed and transferred, in electronic or other form, as described in this Agreement by and among, as applicable, the Grantee's employer, the Company and its Affiliates, and third parties assisting in the implementation, administration and management of the Plan for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.

(b) The Grantee understands that the Company and its Affiliates (including the Grantee's employer), as applicable, hold certain personal information about the Grantee regarding the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's participation in the Plan, including, but not limited to, the Grantee's name, home address, telephone number and e-mail address, date of birth, social insurance number or other identification number, salary, nationality, job title, any equity or directorships held in the Company or its Affiliates and details of all Restricted Stock Units or any other entitlement to equity awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of the implementation, management and administration of the Plan (the "Data").

(c) The Grantee understands that the Data may be transferred to the Company, its Affiliates and any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Grantee's country, or elsewhere (including countries outside the Grantee's home country, such as the United States of America), and that the recipient's country may have a different or lower standard of data privacy rights and protections than the Grantee's country. Where the Data will be transferred outside the Grantee's work location, and where there is not a European Commission adequacy decision in place, the transfers will be in accordance with Chapter V of the GDPR. The Grantee understands that the Grantee may request details of the categories of recipients of the Data by contacting the Grantee's local human resources representative. The Grantee understands that the recipients receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including transfers of such Data to a broker or other third party. The Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan in accordance with applicable law. The Grantee understands that the Grantee may, at any time, exercise the rights granted to the Grantee by the GDPR including the right to: request to access or be provided with a copy of the Grantee's Data, request additional information about the storage and processing of the Data, require any corrections or amendments to the Data in any case without cost and to the extent permitted by law. The above rights can be exercised by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that processing of the Grantee's Data is necessary and refusing any consent that is sought by the Company or objecting to the processing of the Grantee's Data may affect the Grantee's ability to participate in the Plan. For more information on the processing of the Grantee's Data and other personal data, the Grantee is referred to the Privacy Notice provided to the Grantee by the Grantee's employer.

13. 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.

14. Country Specific Terms. Notwithstanding anything to the contrary herein, the Restricted Stock Units shall be subject to the Country-Specific Terms attached hereto as an Addendum to this Agreement. In addition, if the Grantee relocates to one of the countries included in the Country-Specific Terms, the special terms and conditions for such country will apply to the Grantee to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Country-Specific Terms constitute part of this Agreement and are incorporated herein by reference.

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

Executed as of the _____ day of _____, 20____.

Company: BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: _____
Name:
Title:

Grantee:

Name:
Address:

[Signature Page to Restricted Stock Unit Agreement]

ADDENDUM A TO RESTRICTED STOCK UNIT AGREEMENT
COUNTRY-SPECIFIC TERMS
FOR GRANTEES OUTSIDE THE U.S.

These Country-Specific Terms include additional terms and conditions (and/or variations to the terms and conditions) that govern the Restricted Stock Units awarded to the Grantee if the Grantee resides in one of the countries listed below. Capitalized terms used but not defined in these Country-Specific Terms are defined in the Plan (or any applicable sub-plan) or this Agreement and have the meanings set forth therein.

AUSTRALIA

Securities Law. This offer is made under Division 1A of Part 7.12 of the Corporations Act, 2001 (Commonwealth).

General Advice. Any information or advice given by the Company or its Affiliates in relation to the grant of the Restricted Stock Units under the Plan does not take account of the objectives, financial situation and needs of the Grantee. The Grantee should consider obtaining financial product advice that takes into account the objectives, financial situation and needs of the Grantee.

Data Privacy. The Grantee consents to the disclosure of the Grantee's Data under Section 18(c) to overseas recipients (including persons located in the United States of America and elsewhere). The Grantee acknowledges that, by consenting to such disclosure, Australian Privacy Principle 8.1 will not apply to the disclosure and as a result the Data recipients will not be accountable under the Privacy Act 1988 (Commonwealth) (the "Australian Privacy Act") and the Grantee may not be able to seek redress under the Australian Privacy Act in respect of this Data.

Tax Notice. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Commonwealth), as amended, applies to the Restricted Stock Units granted under the Plan (subject to the requirements of the Income Tax Assessment Act 1997 (Commonwealth)) and the Restricted Stock Units are intended to qualify for tax deferral treatment in Australia (subject to the requirements of the Income Tax Assessment Act 1997 (Commonwealth)).

THE NETHERLANDS

Taxes. The following will be added as a new Section 8(e) (Certain Tax Matters):

“(e) The Grantee indemnifies the Company and/or any Affiliate, and holds them harmless against and from all liability for any Taxes or other payment, interest, penalty and costs thereon, including without limitations, liabilities relating to the necessity to withhold, or to have withheld, any such Taxes from any payment made to the Grantee, if and to the extent allowed under applicable law and regulations.”

Data Privacy. The following replaces Section 12 of the Agreement:

(a) The Grantee hereby acknowledges and understands that the Grantee's personal data - being personal data within the meaning of the (EU) 2016/679 General Data Protection Regulation (the "GDPR") - is collected, retained, used, disclosed, transferred and/or otherwise processed, in electronic or other form, by the Company as described in this Award Agreement. The collection and processing of the personal data shall be subject to the provisions of the

GDPR and the Dutch GDPR Implementation Act (*Uitvoeringswet AVG, UAVG*). The Grantee's personal data will only be processed when there is a legal basis for processing as set out in article 6 GDPR. The following legal bases shall apply with respect to the processing of personal data in the context of the Plan: (i) processing is necessary for the performance of the Company's contractual obligations under this Award Agreement, (ii) processing is necessary for compliance with the Company's legal obligations, and (iii) processing is necessary for the purpose of the Company's legitimate interest in relation to implementing, administering and managing the Grantee's participation in the Plan and in the context of the establishment, exercise or defense of a legal claim in relation to the Award Agreement and/or the Plan.

(b) The personal data being processed in the context of the Plan relate to the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's participation in the Plan, *i.e.*, the Grantee's name and signature, home address, telephone number and e-mail address, date of birth, citizen service number or other national identification number, salary, bank account details, nationality, job title, any equity or directorships held in the Company and details of all options or any other entitlement to equity awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of the implementation, management and administration of the Plan (the "Data").

(c) The Company will process the Data for the exclusive purpose of (i) implementing, administering and managing participation in the Plan, (ii) communicating with the Grantee in connection with the Plan, (iii) internal administration, (iv) complying with the Company's legal obligations, and (v) for the purpose of its legitimate interests such as to establish, exercise or defend its rights and legal position and to monitor compliance with the Award Agreement, in accordance with the GDPR.

(d) The Grantee understands that the Data may be transferred to the Company, the Grantee's employer, the Company's Affiliates and where relevant, external (legal) advisors, banks, pay roll providers, potential business partners in the context of a contemplated sale or restructuring of the Company, competent authorities and where relevant third parties assisting in the implementation, administration and management of the Plan. The Grantee understands that the Grantee may at any time request details of the categories of recipients of the Data by contacting the Company's data protection officer at dataprivacy@brighthorizons.com. The Grantee understands that the recipients receive, possess, use, retain and transfer the Data, in electronic or other form, solely for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including transfers of such Data to a broker or other third party.

(e) The Grantee acknowledges that these recipients may be located in the Grantee's country, or elsewhere (including countries outside the European Union, such as the United States of America), and that the recipient's country may have a different or lower standard of data privacy rights and protections than the Grantee's country. Where the Data will be transferred outside the European Union, and where there is not a European Commission adequacy decision in place, the transfers will be in accordance with Chapter V of the GDPR and in line with the recommendations of the European Data Protection Board. For more information on the transfer mechanisms used, and/or to obtain a redacted copy of such appropriate safeguards, the Grantee may contact the Company's data protection officer at dataprivacy@brighthorizons.com. In the absence of appropriate safeguards, the Data will not be transferred to a third party located outside the European Union, unless a specific derogation applies in the sense of article 49 of the GDPR.

(f) Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan in accordance with

applicable law. For more information on specific retention periods, please contact the Company's data protection officer at dataprivacy@brighthorizons.com.

(g) The Grantee understands that the Grantee may, at any time, without any cost and under certain circumstances exercise the rights granted to the Grantee by the GDPR including the right to: request to access or be provided with a copy of the Grantee's Data, request additional information about the storage and processing of the Data, require rectification or erasure of (part of) the Data, or to object or have restricted the processing of the Data and to comply with the Grantee's right to data portability, by contacting the Company or to lodge a complaint with the competent (national) Data Protection Authority. The above rights can be exercised by contacting in writing the Company's data protection officer at dataprivacy@brighthorizons.com. The Grantee understands, however, that processing of the Grantee's Data is necessary for participation in the Plan and that objecting to the processing of the Grantee's Data may affect the Grantee's ability to participate in the Plan.

(h) For more information on the processing of the Grantee's Data and other personal data in the context of his employment relation with the Company or an Affiliate in general, the Grantee is referred to the Privacy Notice provided to the Grantee by the Grantee's employer.

UNITED KINGDOM

U.K. Subplan. If the Award is being made to a U.K. Employee (as such term is defined in such UK Sub-Plan (as defined below)):

(a) the Award is being made pursuant to the sub-plan for employees resident in the United Kingdom created and approved in accordance with the provisions of Section 12 of the Plan (the "UK Sub-Plan"), and the Plan, as amended by the UK Sub-Plan, and the main body of the Agreement shall be deemed amended accordingly;

(b) any references in the main body of the Agreement to such Award having been made pursuant to the Plan, or to the participation of the Grantee in the Plan, shall be deemed to be references to such Award having been made pursuant to, and such participation being in, the UK Sub-Plan;

(c) any other reference in the main body of the Agreement to the Plan shall (as appropriate and unless the context otherwise requires) be deemed to be a reference to the UK Sub-Plan (including the Plan, as amended by and incorporated into the UK Sub-Plan);

(d) any reference in the main body of the Agreement to a specific provision of the Plan shall be deemed to be a reference to such provisions of the Plan as amended by and incorporated into the UK Sub-Plan; and

(e) in the event of any conflict between the terms of the Agreement and the terms of the UK Sub-Plan, the UK Sub-Plan shall prevail.

Termination of Service. The Grantee has no right to compensation or damages on account of any loss in respect of the Award under the Plan or (as applicable) and the U.K. Subplan where the loss arises or is claimed to arise in whole or part from: (a) the termination of the Grantee's office or employment; or (b) notice to terminate the Grantee's office or employment. This exclusion of liability shall apply however, termination of office or employment, or the giving of notice, is caused, and however compensation or damages are claimed. For the purpose of the Plan and the U.K. Subplan, the implied duty of trust and confidence is expressly excluded.

Certain UK Tax Matters. Without prejudice to the generality of Section 8 of the Agreement, the Grantee hereby indemnifies the Company and, if different, the Grantee's employer (or any other Affiliate which is required to account for relevant Taxes to HMRC), for any Taxes that may be payable with respect to any income or gains arising or deemed to arise to the Grantee in connection with the Award (including without limitation in connection with the issuance, vesting or settlement of any Award and/or vesting, holding or disposal of the full number of any shares of Stock issued or deemed issued pursuant to any Restricted Stock Unit). Subject to the Grantee otherwise making good such amount to the Company or (if different) the Grantee's employer or other Affiliate which is required to account for relevant Taxes to HMRC, the Grantee undertakes to pay to the Company, the Grantee's employer or such other Affiliate (as relevant) any amount required under this paragraph within five working days of demand. For the avoidance of doubt any amount received pursuant to this paragraph by a person who is not the person required to account for such Taxes to HMRC is received as agent for and on behalf of the person so required to account.

As a condition to the issuance of shares of Stock under the Award, the Grantee unconditionally and irrevocably agrees, if so required by the Company, to enter into a joint election within section 431(1) of (UK) Income Tax (Earnings and Pensions) Act 2003 ("ITEPA") disapplying all restrictions in respect of the acquisition of "restricted securities" (as defined in Section 423 and 424 of ITEPA).

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 May 29, 2019

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 and subject to the terms of the Bright Horizons Family Solutions Inc. 2012 Omnibus Long-Term Incentive Plan, as Amended and Restated as of May 29, 2019 (as amended from time to time, the “Plan”), which is incorporated herein by reference, subject to the provisions of Addendum A (Country-Specific Terms for Optionees Outside the U.S.), if applicable.

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, for U.S. tax purposes, 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. In addition, for purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) “Applicable Agreement” means a written employment, severance or change in control agreement between the Optionee and the Company or an Affiliate, as may be amended from time to time.

(b) “Cause” shall have the following meaning: (A) if the Optionee is a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth therein, or (B) if the Optionee is not a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth in the Plan.

(c) “CIC Termination” means an Involuntary Termination that occurs upon or within 12 months following the date of the Covered Transaction.

(d) “Good Reason” shall have the following meaning: (A) if the Optionee is a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall have the meaning set forth therein, or (B) if the Optionee is not a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall mean any material diminution in the Optionee’s base salary, bonus opportunity, position or nature or scope of responsibilities (other than by inadvertence) or any material reduction in the Optionee’s benefits that uniquely and disproportionately affects the Optionee, in each case occurring without the Optionee’s consent and as to which (x) the Optionee has provided notice to the Company within 30 days of the date on which the Optionee knew or reasonably should have known of such diminution or reduction, (y) the Company shall not have remedied such diminution or reduction within 30 days of receiving such notice, and (z) the Optionee shall have terminated the Optionee’s Employment within 10 days after the Company’s failure to remedy such diminution or reduction.

(e) “Involuntary Termination” means the Optionee’s termination of Employment from the Company on account of a termination by the Company without Cause, other than on account of death or Disability, or by the Optionee for Good Reason.

3. Vesting.

(a) Service-Based Vesting. Unless earlier terminated, forfeited, relinquished or expired, and except as set forth in Section 3(b) below, the Stock Option shall vest [(i) as to 33% of the total number of Shares subject to the Stock Option on the first and second anniversaries of the Date of Grant; and (ii) as to an additional 34% of the total number of Shares subject to the Stock Option on the third anniversary of the Date of Grant], 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.

(b) Covered Transaction.

(i) If a Covered Transaction occurs before the Stock Option is fully vested in accordance with the vesting schedule set out in Section 3(a) above, the Stock Option shall be treated as described in this Section 3(b). Notwithstanding anything to the contrary, the Administrator may take such other actions with respect to the Stock Option (including in respect of vesting) as it deems appropriate pursuant to the Plan.

(ii) **[For executive officers as determined by the Administrator (“Officers”)]**: In the event of a Covered Transaction before the Stock Option is fully vested and exercisable in accordance with the vesting schedule set out in Section 3(a) above and provided the Optionee has remained in continuous Employment from the Date of Grant through the date of the Covered Transaction, if either (i) the Optionee has remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction or (ii) the Stock Option is not assumed, substituted or otherwise continued following the Covered Transaction, then the Stock Option shall become fully vested and exercisable immediately prior to the Covered Transaction. However, if (A) the Optionee has not been in continuous Employment for at least two years immediately prior to the date of the Covered Transaction, (B) there is an

acquiring or surviving entity as a result of the Covered Transaction and the Stock Option is assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, and (C) the Optionee is not a party to an Applicable Agreement providing otherwise, then the Stock Option will vest and become exercisable on the earliest to occur of (x) the applicable vesting date pursuant to the vesting schedule set forth in Section 3(a) above, or (y) the date the Optionee incurs a CIC Termination, in each case, subject to the Optionee's continuous Employment through such date.]

[For non-Officers: Except as otherwise provided in an Applicable Agreement, if any, provided the Optionee has remained in continuous Employment from the Date of Grant through the date of the Covered Transaction, the Stock Option shall become fully vested and exercisable immediately prior to the Covered Transaction; provided, however, that if there is an acquiring or surviving entity as a result of the Covered Transaction and the Stock Option is assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, the Stock Option shall vest and become exercisable on the earliest to occur of (x) the applicable vesting date pursuant to the vesting schedule set forth in Section 3(a) above, or (y) the date the Optionee incurs a CIC Termination, in each case, subject to the Optionee's continuous Employment through such date.]

(c) Cause. Notwithstanding anything in this Agreement to the contrary, in the event the Optionee's Employment is terminated by the Company for Cause, the entire outstanding Stock Option (whether vested or unvested) held by the Optionee shall immediately terminate and be of no further force or effect.

(d) Method of Exercise. 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 and, if so required by the Administrator, payment of any amounts of or in respect of Taxes (as defined in Section 7(a) below) which are payable by the Optionee under this Agreement. 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 tenth (10th) 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.

(e) Termination Date. For purposes of this Agreement, including but not limited to this Section 3 and Section 5 below, and notwithstanding anything to the contrary in the Plan, the Optionee's Employment will be deemed to terminate on the date that the Optionee ceases to actively be employed or provide services to the Company or an Affiliate and shall not be extended by any notice period mandated or implied under local law during which the Optionee is not actually employed or providing services (e.g., garden leave or similar leave) or during or for which the Optionee receives pay in lieu of notice or severance pay. The Company shall have the sole discretion to determine when the Optionee is no longer in active Employment for purposes of this Agreement, without reference to any other agreement, written or oral, including the Optionee's contract of employment.

4. Covered Transaction. In the event of a Covered Transaction, in addition to the vesting terms set forth in Section 3(b)(ii), any unexercised portion of the Stock Option as of the Covered Transaction that is not assumed, substituted or otherwise continued following the Covered Transaction shall be cashed out in accordance with Section 7(a)(2) of the Plan.

5. Forfeiture; Recovery of Compensation. Except as otherwise provided in an Applicable Agreement or as set forth in Section 3(b) above, if the Optionee ceases Employment for any reason before the Stock Option is fully vested and exercisable in accordance with this Agreement, any portion of the Stock Option has not yet vested and become exercisable shall automatically terminate and be forfeited as of the date on which the Optionee ceases Employment. 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 12 of this Agreement.

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

7. Certain Tax Matters.

(a) 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 payment being liable promptly to pay at such time as such payments are due, to the Company in cash (or by such other means as may be acceptable to the Administrator in its discretion, including by withholding shares of Stock from any payment hereunder in accordance with the procedures approved by the Board or the Compensation Committee) all federal (including FICA), state, local and foreign income taxes, social insurance, payroll tax, national insurance contributions, other contributions, payment on account obligations or other amounts required by law to be collected, withheld or accounted for with respect to the grant or exercise of the Stock Option (the "Taxes"). 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 Taxes then due and has committed (and by exercising the Stock Option such person shall be deemed to have committed) to pay in cash all Taxes 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.

(b) Regardless of any action the Company or an Affiliate takes with respect to any such Taxes, the Optionee acknowledges that the ultimate liability for all such Taxes legally due by the Optionee is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company or an Affiliate. The Optionee further acknowledges that the Company and its Affiliates (i) make no representations or undertakings regarding the treatment of any Taxes in connection with any aspect of the Stock Option, including the award or exercise of the Stock Option and the subsequent sale of any Shares received upon exercise of the Stock Option; and (ii) does not commit to structure the terms of the award or any aspect of the Stock

Option to reduce or eliminate the Optionee's liability for Taxes. Further, if the Optionee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Optionee acknowledges that the Company or an Affiliate may be required to collect, withhold or account for Taxes in more than one jurisdiction.

8. 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 Affiliates, affect any right of the Company or any of its Affiliates to discharge or discipline the Optionee at any time (subject to compliance with local law and the terms of any Applicable Agreement), or affect any right of the Optionee to terminate his or her Employment at any time.

9. 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.

10. No Entitlement or Claims for Compensation. In connection with the acceptance of the Stock Option under this Agreement, the Optionee acknowledges the following:

(a) The Plan is established voluntarily by the Company, the grant of stock options under the Plan is made at the discretion of the Administrator and the Plan may be modified, amended, suspended or terminated by the Company at any time.

(b) The grant of this Stock Option is voluntary and occasional and does not create any contractual or other right to receive future grants of stock options, or benefits in lieu of stock options, even if stock options have been awarded repeatedly in the past.

(c) All decisions with respect to future stock option grants, if any, will be at the sole discretion of the Administrator.

(d) The Optionee is voluntarily participating in the Plan.

(e) This Stock Option and any Shares acquired under the Plan in connection with the Stock Option are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Affiliate and which are outside the scope of the Optionee's employment contract, if any.

(f) This Stock Option and any Shares acquired under the Plan and their value are not to be considered part of the Optionee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, superannuation contributions or other statutory entitlement amounts, or similar payments.

(g) This Stock Option and any Shares acquired under the Plan in connection with the Stock Option are not intended to replace any pension rights or compensation or any superannuation contributions or other statutory entitlement amounts, as applicable.

(h) The future value of the underlying Shares is unknown and cannot be predicted with certainty. If the Shares do not increase in value, the Stock Option will have no value. If the

Optionee exercises the Stock Option, the value of the acquired Shares may increase or decrease, even below the exercise price. The Optionee acknowledges and agrees that neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of the Stock Option or of any Shares received upon exercise of the Stock Option or the subsequent sale of any Shares acquired in connection with the Stock Option.

(i) The Optionee shall have no rights, claim or entitlement to compensation or damages as a result of the Optionee's termination of Employment for any reason whatsoever, whether or not in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from the Optionee's ceasing to have rights under or be entitled to exercise the Stock Option as a result of such termination or loss or diminution in value of the Stock Option or any of the Shares received in connection with the exercise Stock Option as a result of such termination, and the Optionee irrevocably releases the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Optionee shall be deemed to have irrevocably waived the Optionee's entitlement to pursue such rights or claim.

11. **Data Privacy.**

(a) **The Optionee hereby acknowledges and understands that the Optionee's personal data is collected, retained, used, processed, disclosed and transferred, in electronic or other form, as described in this Agreement by and among, as applicable, the Optionee's employer, the Company and its Affiliates, and third parties assisting in the implementation, administration and management of the Plan for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.**

(b) **The Optionee understands that the Company and its Affiliates (including the Optionee's employer), as applicable, hold certain personal information about the Optionee regarding the Optionee's employment, the nature and amount of the Optionee's compensation and the fact and conditions of the Optionee's participation in the Plan, including, but not limited to, his or her name, home address, telephone number and e-mail address, date of birth, social insurance number or other identification number, salary, nationality, job title, any equity or directorships held in the Company and details of all options or any other entitlement to equity awarded, canceled, exercised, vested, unvested or outstanding in his or her favor, for the purpose of the implementation, management and administration of the Plan (the "Data").**

(c) **The Optionee understands that the Data may be transferred to the Company, its Affiliates and any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in his or her country, or elsewhere (including countries outside the Optionee's home country, such as the United States of America), and that the recipient's country may have a different or lower standard of data privacy rights and protections than his or her country. Where the Data will be transferred outside the Optionee's work location, and where there is not a European Commission adequacy decision in place, the transfers will be in accordance with Chapter V of the GDPR. The Optionee understands that he or she may request details of the categories of recipients of the Data by contacting the Optionee's local human resources representative. The Optionee understands that the recipients receive, possess, use, retain**

and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing his or her participation in the Plan, including transfers of such Data to a broker or other third party. The Optionee understands that the Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan in accordance with applicable law. The Optionee understands that he or she may, at any time, exercise the rights granted to him/her by the GDPR including the right to: request to access or be provided with a copy of his or her Data, request additional information about the storage and processing of the Data, require any corrections or amendments to the Data in any case without cost and to the extent permitted by law. The above rights can be exercised by contacting in writing his or her local human resources representative. The Optionee understands, however, that processing of his/her Data is necessary and refusing any consent that is sought by the Company or objecting to the processing of his or her Data may affect the Optionee's ability to participate in the Plan. For more information on the processing of his or her Data and other personal data, the Optionee is referred to the Privacy Notice provided to the Optionee by the Optionee's employer.

12. 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.

13. Country Specific Terms. Notwithstanding anything to the contrary herein, the Stock Option shall be subject to the Country-Specific Terms attached hereto as an Addendum to this Agreement. In addition, if the Optionee relocates to one of the countries included in the Country-Specific Terms, the special terms and conditions for such country will apply to the Optionee to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Country-Specific Terms constitute part of this Agreement and are incorporated herein by reference.

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

Executed as of the ____ day of ____, 20 ____.

Company: BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: _____
Name:
Title:

Optionee:

Name:
Address:

[Signature Page to Non-Statutory Stock Option Agreement]

**ADDENDUM A TO NON-STATUTORY STOCK OPTION AGREEMENT
COUNTRY-SPECIFIC TERMS
FOR OPTIONEES OUTSIDE THE U.S.**

These Country-Specific Terms include additional terms and conditions (and/or variations to the terms and conditions) that govern the Stock Option awarded to the Optionee if the Optionee resides in one of the countries listed below. Capitalized terms used but not defined in these Country-Specific Terms are defined in the Plan (or any applicable sub-plan) or this Agreement and have the meanings set forth therein.

AUSTRALIA

Securities Law. This offer is made under Division 1A of Part 7.12 of the Corporations Act, 2001 (Commonwealth).

General Advice. Any information or advice given by the Company or its Affiliates in relation to the grant of the Performance Units under the Plan does not take account of the objectives, financial situation and needs of the Optionee. The Optionee should consider obtaining financial product advice that takes into account the objectives, financial situation and needs of the Optionee.

Data Privacy. The Optionee consents to the disclosure of the Optionee's Data under Section 18(c) to overseas recipients (including persons located in the United States of America and elsewhere). The Optionee acknowledges that, by consenting to such disclosure, Australian Privacy Principle 8.1 will not apply to the disclosure and as a result the Data recipients will not be accountable under the Privacy Act 1988 (Commonwealth) (the "Australian Privacy Act") and the Optionee may not be able to seek redress under the Australian Privacy Act in respect of this Data.

Tax Notice. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Commonwealth), as amended, applies to the Stock Option granted under the Plan (subject to the requirements of the Income Tax Assessment Act 1997 (Commonwealth)) and the Stock Option is intended to qualify for tax deferral treatment in Australia (subject to the requirements of the Income Tax Assessment Act 1997 (Commonwealth)).

NETHERLANDS

Taxes. The following will be added as a new Section 7(c) (Certain Tax Matters):

“(c) The Optionee indemnifies the Company and/or any Affiliate, and holds them harmless against and from all liability for any Taxes or other payment, interest, penalty and costs thereon, including without limitations, liabilities relating to the necessity to withhold, or to have withheld, any such Taxes from any payment made to the Optionee, if and to the extent allowed under applicable law and regulations.”

Data Privacy. The following replaces Section 11 of the Agreement:

(a) The Optionee hereby acknowledges and understands that the Optionee's personal data - being personal data within the meaning of the (EU) 2016/679 General Data Protection Regulation (the "GDPR") - is collected, retained, used, disclosed, transferred and/or otherwise processed, in electronic or other form, by the Company as described in this Award Agreement. The collection and processing of the personal data shall be subject to the provisions of the

GDPR and the Dutch GDPR Implementation Act (*Uitvoeringswet AVG, UAVG*). The Optionee's personal data will only be processed when there is a legal basis for processing as set out in article 6 GDPR. The following legal bases shall apply with respect to the processing of personal data in the context of the Plan: (i) processing is necessary for the performance of the Company's contractual obligations under this Award Agreement, (ii) processing is necessary for compliance with the Company's legal obligations, and (iii) processing is necessary for the purpose of the Company's legitimate interest in relation to implementing, administering and managing the Optionee's participation in the Plan and in the context of the establishment, exercise or defense of a legal claim in relation to the Award Agreement and/or the Plan.

(b) The personal data being processed in the context of the Plan relate to the Optionee's employment, the nature and amount of the Optionee's compensation and the fact and conditions of the Optionee's participation in the Plan, *i.e.*, his or her name and signature, home address, telephone number and e-mail address, date of birth, citizen service number or other national identification number, salary, bank account details, nationality, job title, any equity or directorships held in the Company and details of all options or any other entitlement to equity awarded, canceled, exercised, vested, unvested or outstanding in his or her favor, for the purpose of the implementation, management and administration of the Plan (the "Data").

(c) The Company will process the Data for the exclusive purpose of (i) implementing, administering and managing participation in the Plan, (ii) communicating with the Optionee in connection with the Plan, (iii) internal administration, (iv) complying with the Company's legal obligations, and (v) for the purpose of its legitimate interests such as to establish, exercise or defend its rights and legal position and to monitor compliance with the Award Agreement, in accordance with the GDPR.

(d) The Optionee understands that the Data may be transferred to the Company, the Optionee's employer, the Company's Affiliates and where relevant, external (legal) advisors, banks, pay roll providers, potential business partners in the context of a contemplated sale or restructuring of the Company, competent authorities and where relevant third parties assisting in the implementation, administration and management of the Plan. The Optionee understands that he or she may at any time request details of the categories of recipients of the Data by contacting the Company's data protection officer at dataprivacy@brighthorizons.com. The Optionee understands that the recipients receive, possess, use, retain and transfer the Data, in electronic or other form, solely for the purposes of implementing, administering and managing his or her participation in the Plan, including transfers of such Data to a broker or other third party.

(e) The Optionee acknowledges that these recipients may be located in his or her country, or elsewhere (including countries outside the European Union, such as the United States of America), and that the recipient's country may have a different or lower standard of data privacy rights and protections than his or her country. Where the Data will be transferred outside the European Union, and where there is not a European Commission adequacy decision in place, the transfers will be in accordance with Chapter V of the GDPR and in line with the recommendations of the European Data Protection Board. For more information on the transfer mechanisms used, and/or to obtain a redacted copy of such appropriate safeguards, the Optionee may contact the Company's data protection officer at dataprivacy@brighthorizons.com. In the absence of appropriate safeguards, the Data will not be transferred to a third party located outside the European Union, unless a specific derogation applies in the sense of article 49 of the GDPR.

(f) Optionee understands that the Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan in accordance with applicable law. For more information on specific retention periods, please contact the Company's data protection officer at dataprivacy@brighthorizons.com.

(g) The Optionee understands that he or she may, at any time, without any cost and under certain circumstances exercise the rights granted to him/her by the GDPR including the right to: request to access or be provided with a copy of his or her Data, request additional information about the storage and processing of the Data, require rectification or erasure of (part of) the Data, or to object or have restricted the processing of the Data and to comply with the Optionee's right to data portability, by contacting the Company or to lodge a complaint with the competent (national) Data Protection Authority. The above rights can be exercised by contacting in writing the Company's data protection officer at dataprivacy@brighthorizons.com. The Optionee understands, however, that processing of his/her Data is necessary for participation in the Plan and that objecting to the processing of his or her Data may affect the Optionee's ability to participate in the Plan.

(h) For more information on the processing of his or her Data and other personal data in the context of his employment relation with the Company or an Affiliate in general, the Optionee is referred to the Privacy Notice provided to him/her by his/her employer.

UNITED KINGDOM

U.K. Subplan. If the Stock Option is being granted to a U.K. Employee (as such term is defined in such UK Sub-Plan (as defined below)):

(a) the Stock Option is being granted pursuant to the sub-plan for employees resident in the United Kingdom created and approved in accordance with the provisions of Section 12 of the Plan (the "UK Sub-Plan"), and the Plan as amended by the UK Sub-Plan, and the main body of the Agreement shall be deemed amended accordingly;

(b) any references in the main body of the Agreement to such Stock Option having been granted pursuant to the Plan, or to the participation of the Optionee in the Plan, shall be deemed to be references to such Stock Option having been made pursuant to, and such participation being in, the UK Sub-Plan;

(c) any other reference in the main body of the Agreement to the Plan shall (as appropriate and unless the context otherwise requires) be deemed to be a reference to the UK Sub-Plan (including the Plan, as amended by and incorporated into the UK Sub-Plan);

(d) any reference in the main body of the Agreement to a specific provision of the Plan shall be deemed to be a reference to such provisions of the Plan as amended by and incorporated into the UK Sub-Plan; and

(e) in the event of any conflict between the terms of the Agreement and the terms of the UK Sub-Plan, the UK Sub-Plan shall prevail.

Termination of Service. The Optionee has no right to compensation or damages on account of any loss in respect of a Stock Option under the Plan or (as applicable) the U.K. Subplan where the loss arises or is claimed to arise in whole or part from: (a) the termination of the Optionee's

office or employment; or (b) notice to terminate the Optionee's office or employment. This exclusion of liability shall apply however, termination of office or employment, or the giving of notice, is caused, and however compensation or damages are claimed. For the purpose of the Plan and the U.K. Subplan, the implied duty of trust and confidence is expressly excluded.

Certain UK Tax Matters. Without prejudice to the generality of Section 7 of the Agreement, the Optionee hereby indemnifies the Company and, if different, the Optionee's employer (or any other Affiliate which is required to account for relevant Taxes to HMRC), for any Taxes that may be payable with respect to any income or gains arising or deemed to arise to the Optionee in connection with the Stock Option (including without limitation in connection with the issuance, vesting or exercise of any Stock Option and/or vesting, holding or disposal of the full number of any Shares issued or acquired or deemed issued or acquired pursuant to any Stock Option). Subject to the Optionee otherwise making good such amount to the Company or (if different) the Optionee's employer or other Affiliate which is required to account for relevant Taxes to HMRC, the Optionee undertakes to pay to the Company, the Optionee's employer or such other Affiliate (as relevant) any amount required under this paragraph within five working days of demand. For the avoidance of doubt any amount received pursuant to this paragraph by a person who is not the person required to account for such Taxes to HMRC is received as agent for and on behalf of the person so required to account.

Name:	[•]
Target Number of Performance Units:	[•]
Date of Grant:	[•]
Performance Period:	The period commencing January 1, [•] and ending December 31, [•]

Bright Horizons Family Solutions Inc.
2012 Omnibus Long-Term Incentive Plan, as Amended and Restated
as of May 29, 2019

Performance Stock Unit Agreement

This agreement (this “Agreement”) evidences the award (the “Award”) by Bright Horizons Family Solutions Inc. (the “Company”) to the undersigned (the “Grantee”) of Stock Units that vest in accordance with certain specified performance criteria, 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 May 29, 2019 (as amended from time to time, the “Plan”), which is incorporated herein by reference, subject to the provisions of Addendum A (Country-Specific Terms for Grantees Outside the U.S.), if applicable.

1. Award of Performance Units. The Company hereby awards to the Grantee on the date of grant set forth above (the “Date of Grant”), a target award of performance-based Stock Units (the “Performance Units”) equal to the Target Number of Performance Units set forth above, subject to the vesting and other conditions of this Agreement. Payment of the Performance Units shall be based on the extent, if any, to which the applicable performance metrics set forth in Schedule A (the “Performance Goals”) are attained during the Performance Period set forth above and the service vesting criteria are satisfied, as set forth in this Agreement.

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. In addition, for purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) “Applicable Agreement” means a written employment, severance or change in control agreement between the Grantee and the Company or an Affiliate, as may be amended from time to time.

(b) “Cause” shall have the following meaning: (A) if the Grantee is a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth therein, or (B) if the Grantee is not a party to an Applicable Agreement containing a “Cause” definition, “Cause” shall have the meaning set forth in the Plan.

(c) “CIC Termination” means an Involuntary Termination that occurs upon or within 12 months following the date of the Covered Transaction.

(d) “Good Reason” shall have the following meaning: (A) if the Grantee is a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall have the meaning set forth therein, or (B) if the Grantee is not a party to an Applicable Agreement containing a “Good Reason” definition, “Good Reason” shall mean any material diminution in the Grantee’s base salary, bonus opportunity, position or nature or scope of responsibilities (other

than by inadvertence) or any material reduction in the Grantee's benefits that uniquely and disproportionately affects the Grantee, in each case occurring without the Grantee's consent and as to which (x) the Grantee has provided notice to the Company within 30 days of the date on which the Grantee knew or reasonably should have known of such diminution or reduction, (y) the Company shall not have remedied such diminution or reduction within 30 days of receiving such notice, and (z) the Grantee shall have terminated the Grantee's Employment within 10 days after the Company's failure to remedy such diminution or reduction. Termination of Employment for Good Reason, as provided herein, is intended to be an involuntary separation of service for purposes of Code Section 409A (as defined below), and shall be construed accordingly.

(e) "Involuntary Termination" means the Grantee's termination of Employment from the Company on account of a termination by the Company without Cause, other than on account of death or Disability, or by the Grantee for Good Reason.

3. Vesting.

(a) General Vesting. Subject to this Section 3, on the third anniversary of the Date of Grant (the "Vesting Date"), the Grantee shall vest in a number of Performance Units, if any, based on the attainment of the Performance Goals in accordance with the terms set forth in Schedule A and continued Employment through the Vesting Date.

(b) Involuntary Termination; Disability; Death. Except as provided in Section 3(c) below, if the Grantee incurs an Involuntary Termination or incurs a termination of Employment on account of death or Disability, then the Grantee shall vest in a number of Performance Units calculated by multiplying the Performance Units (if any) that otherwise would have vested if the Grantee had continued in Employment through the Vesting Date, based on the attainment of the Performance Goals set forth in Schedule A, by a fraction, the numerator of which is the number of months during the Performance Period in which the Grantee was employed by the Company and the denominator of which is 36, provided that in the event the termination of Employment is on account of Involuntary Termination or Disability, the Grantee signs and does not revoke a release and waiver of claims in favor of the Company and its Affiliates in a form provided by the Company (a "Release"). For the avoidance of doubt, the Grantee shall not vest in any Performance Units that have been forfeited in accordance with the terms set forth in Schedule A.

(c) Covered Transaction.

(i) If a Covered Transaction occurs during the Performance Period, the Performance Units shall be treated as described in this Section 3(c). Notwithstanding anything to the contrary, the Administrator may take such other actions with respect to the Performance Units (including in respect of vesting) as it deems appropriate pursuant to the Plan.

(ii) **[For executive officers as determined by the Administrator ("Officers"):** Provided the Grantee has remained in continuous Employment from the Grant Date through the date of the Covered Transaction, if either (i) the Grantee has remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction or (ii) the Performance Units are not assumed, substituted or otherwise continued following the Covered Transaction, then the Performance Units shall become fully vested immediately prior to the Covered Transaction assuming "Target"-level achievement of the Performance Goals. However, if (A) the Grantee has not remained in continuous Employment for at least two years immediately prior to the date of the Covered Transaction, (B) there is an acquiring or surviving entity as a result of the Covered Transaction and the Performance Units are assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, and (C) the

Grantee is not a party to an Applicable Agreement providing otherwise, then the Performance Units will vest assuming “Target”-level achievement of the Performance Goals on the earlier to occur of (x) the Vesting Date, or (y) the date the Grantee incurs a CIC Termination, in each case, subject to the Grantee’s continuous Employment through such date.]

[For non-Officers: Except as otherwise provided in an Applicable Agreement, if any, provided the Grantee has remained in continuous Employment from the Grant Date through the date of the Covered Transaction, the Performance Units shall become fully vested immediately prior to the Covered Transaction assuming “Target”-level achievement of the Performance Goals; provided, however, that if there is an acquiring or surviving entity as a result of the Covered Transaction and the Performance Units are assumed or substituted by the acquiror or surviving corporation (or an affiliate of the acquiror or surviving corporation) or otherwise continues following the Covered Transaction, the Performance Units shall become fully vested assuming “Target”-level achievement of the Performance Goals on the earlier to occur of (x) the Vesting Date, or (y) the date the Grantee incurs a CIC Termination, in each case, subject to the Grantee’s continuous Employment through such date.]

(iii) For the avoidance of doubt, if the date of the Covered Transaction occurs after the Vesting Date but prior to settlement of any vested Performance Units, the vested Performance Units shall be settled in accordance with Sections 3(a) and 6 and Schedule A. Additionally, for the avoidance of doubt, the Grantee shall not vest in any Performance Units under this Section 3(c) that have been forfeited in accordance with the terms set forth in Schedule A.

(d) Cause. Notwithstanding anything in this Agreement to the contrary, in the event the Grantee’s Employment is terminated by the Company for Cause, all outstanding Performance Units (whether vested or unvested) held by the Grantee shall immediately terminate and be of no further force or effect.

(e) Other Termination. Except as provided in Sections 3(b) and 3(c), in the event of a termination of Employment prior to the Vesting Date, the Grantee shall forfeit all unvested Performance Units. No payment shall be made with respect to any unvested Performance Units that terminate as described in this Section 3(e). No Performance Units shall vest after the Grantee’s Employment has terminated for any reason.

(f) Termination Date. For purposes of this Agreement, and notwithstanding anything to the contrary in the Plan, the Grantee’s Employment will be deemed to terminate on the date that the Grantee ceases to actively be employed or provide services to the Company or an Affiliate and shall not be extended by any notice period mandated or implied under local law during which the Grantee is not actually employed or providing services (e.g., garden leave or similar leave) or during or for which the Grantee receives pay in lieu of notice or severance pay. The Company shall have the sole discretion to determine when the Grantee is no longer in active Employment for purposes of this Agreement, without reference to any other agreement, written or oral, including the Grantee’s contract of employment.

4. Performance Units Account.

The Company shall establish a bookkeeping account on its records for the Grantee and shall credit the Grantee’s Performance Units to the bookkeeping account.

5. Dividend Equivalents.

Dividend equivalents shall accrue with respect to the Grantee’s Performance Units and shall be payable subject to the same vesting terms and other conditions as the Performance Units

to which they relate. Dividend equivalents shall be credited on the Performance Units when dividends are declared on shares of Stock from the Grant Date until the Payment Date (as defined in Section 6(a)) for the vested Performance Units. The Company will keep records of dividend equivalents in a non-interest bearing bookkeeping account for the Grantee. No interest will be credited to any such account. Vested dividend equivalents shall be paid in cash at the same time and subject to the same terms as the underlying vested Performance Units. If and to the extent that the underlying Performance Units are forfeited, all related dividend equivalents shall also be forfeited.

6. Conversion of Performance Units.

(a) The Grantee shall be entitled to receive payment of the vested Performance Units (i) within 60 days after the Vesting Date with respect to Performance Units that vest under Section 3(a) or Section 3(b) (upon a termination on account of Involuntary Termination, death or Disability), or (ii) within 60 days following the applicable date specified in Section 3(c) in connection with Performance Units that vest in connection with a Covered Transaction as specified therein (in any case, the "Payment Date").

(b) Subject to Section 3(c), on the applicable Payment Date, each vested Performance Unit credited to the Grantee's account shall be settled in whole shares of Stock of the Company equal to the number of vested Performance Units, subject to compliance with the six-month delay described in Section 13(c) below, if applicable, and the payment of any Taxes (as defined in Section 13(a)) as described in Section 13 below. The obligation of the Company to distribute shares of Stock shall be subject to the rights of the Company as set forth in the Plan and to all applicable laws, rules, regulations, and such approvals by governmental agencies as may be deemed appropriate by the Administrator, including as set forth in Section 15 below.

(c) For the avoidance of doubt, the Grantee shall forfeit all Performance Units if the Grantee's Employment is terminated for Cause prior to the Payment Date under this Section 6.

7. Certain Corporate Changes.

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 (or any successor provision), the Administrator shall make appropriate adjustments to, as provided in the Plan, the number and class of shares or securities of the Company underlying the Performance Units held by the Grantee, the number of shares of Stock for which the Performance Units may vest, the Performance Goals, and any other provision of the Performance Units affected by such change. Any adjustment that occurs under the terms of this Section 7 or the Plan will not change the timing or form of payment with respect to any Performance Units except in accordance with section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A").

8. No Stockholder Rights.

The Grantee has no voting rights and no other ownership rights and privileges of a stockholder with respect to the shares of Stock subject to the Performance Units, except as otherwise provided in Section 5.

9. Effect on Employment.

Neither the award of the Performance Units, nor the vesting of the Performance Units, 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 (subject to compliance with local law and the terms of any applicable employment agreement), or affect any right of the Grantee to terminate the Grantee's Employment at any time.

10. Amendment.

This award of Performance Units may be amended by the Administrator in accordance with Section 9 of the Plan.

11. Notice.

Any notice to the Company provided for in this Agreement shall be addressed to it in care of the Secretary of the Company and any notice to the Grantee shall be addressed to such Grantee at the current address shown on the payroll system of the Company or a subsidiary thereof, or to such other address as the Grantee may designate to the Company in writing. Any notice provided for hereunder shall be delivered by hand, sent by telecopy or electronic mail, or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage and registry fee prepaid in the United States mail, or other mail delivery service. Notice to the Company shall be deemed effective upon receipt. By receipt of this Agreement, the Grantee hereby consents to the delivery of information (including without limitation, information required to be delivered to the Grantee pursuant to the applicable securities laws) regarding the Company, the Plan, and the Performance Units via the Company's electronic mail system or other electronic delivery system.

12. Incorporation of Plan by Reference.

This Agreement is made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Administrator shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Performance Units awarded under this Agreement constitutes the Grantee's acknowledgment that all decisions and determinations of the Administrator with respect to the Plan, this Agreement, and/or the Performance Units shall be final and binding on the Grantee, the Grantee's beneficiaries, and any other person having or claiming an interest in such Performance Units. The settlement of any award with respect to Performance Units is subject to the provisions of the Plan and to interpretations, regulations, and determinations concerning the Plan as established from time to time by the Administrator in accordance with the provisions of the Plan.

13. Certain Tax Matters.

(a) All obligations of the Company under this Agreement shall be subject to the rights of the Company to withhold amounts required to be withheld for any Taxes, if applicable. The Grantee expressly acknowledges and agrees that the Grantee's rights hereunder are subject to the Grantee promptly paying to the Company or an Affiliate 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 shares of Stock from any payment hereunder in accordance with the procedures approved by the Board or the Compensation Committee) any income taxes, employment taxes, social insurance, social security, payroll tax, national insurance contributions, levies, other contributions, payment on account obligations or other amounts required by law to be collected, withheld or accounted for with respect to the vesting of the Performance Units (the "Taxes").

(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.

(c) This award of Performance Units is intended to be exempt from or comply with the applicable requirements of Code Section 409A and shall be administered in accordance with Code Section 409A. Notwithstanding anything in this Agreement to the contrary, if the Performance Units constitute “deferred compensation” under Code Section 409A and the Performance Units become vested and settled upon the Grantee’s termination of Employment, payment with respect to the Performance Units shall be delayed for a period of six months after the Grantee’s termination of Employment if the Grantee is a “specified employee” as defined under Code Section 409A (as determined by the Company) and if required pursuant to Code Section 409A. If payment is delayed, the shares of Stock of the Company and accrued cash dividend equivalents shall be distributed within 30 days after the date that is the six-month anniversary of the Grantee’s termination of Employment. If the Grantee dies during the six-month delay, the shares of Stock and accrued cash dividend equivalents shall be distributed within 60 days following the Grantee’s death in accordance with the Grantee’s will or under the applicable laws of descent and distribution. If required by Code Section 409A, payment following vesting on a Covered Transaction can only be made if the Covered Transaction is a “change of control event” as defined under Code Section 409A, and if the Covered Transaction is not a “change of control event” as defined under Code Section 409A, payment will be made within 60 days following the earlier to occur of (x) the Vesting Date, or (y) the date the Grantee incurs a CIC Termination (or as otherwise set forth in Section 6 consistent with Code Section 409A). Notwithstanding any provision to the contrary herein, payments made with respect to this award of Performance Units may only be made in a manner and upon an event permitted by Code Section 409A, and all payments to be made upon a termination of Employment hereunder may only be made upon a “separation from service” as defined under Code Section 409A, if required pursuant to Code Section 409A. To the extent that any provision of this Agreement would cause a conflict with the requirements of Code Section 409A, or would cause the administration of the Performance Units to fail to satisfy the requirements of Code Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law. In no event shall the Grantee, directly or indirectly, designate the calendar year of payment. If the Performance Units constitute “deferred compensation” under Code Section 409A and payment is subject to the execution of a Release, and if such payment could be made in more than one taxable year, payment shall be made in the later taxable year, if required by Code Section 409A.

(d) Regardless of any action the Company or an Affiliate takes with respect to any Taxes, the Grantee acknowledges that the ultimate liability for all Taxes legally due by the Grantee is and remains the Grantee’s responsibility and may exceed the amount actually withheld by the Company or an Affiliate. The Grantee further acknowledges that the Company and its Affiliates (i) make no representations or undertakings regarding the treatment of any Taxes in connection with any aspect of the Performance Units, including the award, vesting or settlement of the Performance Units and the subsequent sale of any shares of Stock received following the vesting of the Performance Units and the receipt of any dividends; and (ii) does not commit to structure the terms of the award or any aspect of the Performance Units to reduce or eliminate the Grantee’s liability for Taxes. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company or an Affiliate may be required to collect, withhold or account for Taxes in more than one jurisdiction.

14. Governing Law.

The validity, construction, interpretation, and effect of this instrument shall exclusively be governed by, and determined in accordance with, the applicable laws of the Commonwealth of Massachusetts, excluding any conflicts or choice of law rule or principle.

15. Forfeiture; Recovery of Compensation.

By accepting the Performance Units, the Grantee expressly acknowledges and agrees that the Grantee's rights under the Performance Units, and those of any shares of Stock received following payment of the Performance Units 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 19 of this Agreement.

16. Assignment.

This Agreement shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge, or otherwise dispose of the Performance Units, except in the event of the Grantee's death.

17. No Entitlement or Claims for Compensation. In connection with the acceptance of the Performance Units under this Agreement, the Grantee acknowledges the following:

(a) The Plan is established voluntarily by the Company, the grant of Performance Units under the Plan is made at the discretion of the Administrator and the Plan may be modified, amended, suspended or terminated by the Company at any time.

(b) The Performance Units (and any similar awards the Company may in the future grant to the Grantee, even if such awards are made repeatedly or regularly, and regardless of their amount) and the shares of Stock acquired under the Plan (i) are wholly discretionary and occasional, are not a term or condition of employment and do not form part of a contract of employment, or any other working arrangement, between the Grantee and the Company or any Affiliate; (ii) do not create any contractual entitlement to receive future awards or benefits in lieu thereof and are not intended to replace any pension rights or compensation or any superannuation contributions or other statutory entitlement amounts, as applicable; and (iii) do not form part of normal or expected salary or remuneration for purposes of determining pension payments, superannuation contributions or other statutory entitlement amounts (as applicable) or any other purposes, including without limitation termination indemnities, severance, resignation, payment in lieu of notice, redundancy, end of service payments, bonuses, long-term service awards, pension or retirement benefits, superannuation contributions or other statutory entitlement amounts, welfare benefits or similar payments, if applicable, except as otherwise required by the applicable law of any governmental entity to whose jurisdiction the award is subject.

(c) All decisions with respect to future equity grants, if any, will be at the sole discretion of the Administrator.

(d) The Grantee is voluntarily participating in the Plan.

(e) In the event that the Grantee is an employee and the Grantee's employer is not the Company, the grant of the Performance Units and any similar awards the Company may grant in the future to the Grantee will not be interpreted to form an employment contract or relationship with the Company and, furthermore, the grant of the Performance Units and any similar awards the Company may grant in the future to the Grantee will not be interpreted to form an employment contract with the Grantee's employer or any Affiliate.

(f) This grant of Performance Units and any Stock acquired under the Plan in connection with the Performance Units are not intended to replace any pension rights or compensation or any superannuation contributions or other statutory entitlement amounts, as applicable.

(g) The future value of shares of Stock is unknown and cannot be predicted with certainty. If the Grantee vests in the Performance Units, the value of the acquired shares of Stock may increase or decrease. The Grantee acknowledges and agrees that neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the Performance Units or of any amounts received by the Grantee pursuant to the Performance Units or the subsequent sale of any Stock acquired in connection with the Performance Units.

(h) The Grantee shall have no rights, claim or entitlement to compensation or damages as a result of the Grantee's termination of Employment for any reason whatsoever, whether or not in breach of contract or local labor law, insofar as these rights, claim or entitlement arise or may arise from the Grantee's ceasing to have rights under or be entitled to Performance Units as a result of such termination or loss or diminution in value of the Performance Units or any of the Stock received in connection with the Performance Units as a result of such termination, and the Grantee irrevocably releases the Company and its Affiliates, as applicable, from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Grantee shall be deemed to have irrevocably waived the Grantee's entitlement to pursue such rights or claim.

18. **Data Privacy.**

(a) **The Grantee hereby acknowledges and understands that the Grantee's personal data is collected, retained, used, processed, disclosed and transferred, in electronic or other form, as described in this Agreement by and among, as applicable, the Grantee's employer, the Company and its Affiliates, and third parties assisting in the implementation, administration and management of the Plan for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.**

(b) **The Grantee understands that the Company and its Affiliates (including the Grantee's employer), as applicable, hold certain personal information about the Grantee regarding the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's participation in the Plan, including, but not limited to, the Grantee's name, home address, telephone number and e-mail address, date of birth, social insurance number or other identification number, salary, nationality, job title, any equity or directorships held in the Company or its Affiliates and details of the Performance Units or any other entitlement to equity awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of the implementation, management and administration of the Plan (the "Data").**

(c) **The Grantee understands that the Data may be transferred to the Company, its Affiliates and any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Grantee's country, or elsewhere (including countries outside the Grantee's home country, such as the United States of America), and that the recipient's country may have a different or lower standard of data privacy rights and protections than the Grantee's country. Where the Data will be transferred outside the Grantee's work location, and where there is not a European Commission adequacy decision in place, the transfers will be in accordance with Chapter V of the GDPR. The Grantee understands that the Grantee may request details of the**

categories of recipients of the Data by contacting the Grantee's local human resources representative. The Grantee understands that the recipients receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including transfers of such Data to a broker or other third party. The Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan in accordance with applicable law. The Grantee understands that the Grantee may, at any time, exercise the rights granted to the Grantee by the GDPR including the right to: request to access or be provided with a copy of the Grantee's Data, request additional information about the storage and processing of the Data, require any corrections or amendments to the Data in any case without cost and to the extent permitted by law. The above rights can be exercised by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that processing of the Grantee's Data is necessary and refusing any consent that is sought by the Company or objecting to the processing of the Grantee's Data may affect the Grantee's ability to participate in the Plan. For more information on the processing of the Grantee's Data and other personal data, the Grantee is referred to the Privacy Notice provided to the Grantee by the Grantee's employer.

19. Acknowledgments.

By accepting the award of Performance Units, 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 shall 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.

20. Country Specific Terms.

Notwithstanding anything to the contrary herein, the Performance Units shall be subject to the Country-Specific Terms attached hereto as Addendum A to this Agreement. In addition, if the Grantee relocates to one of the countries included in the Country-Specific Terms, the special terms and conditions for such country will apply to the Grantee to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Country-Specific Terms constitute part of this Agreement and are incorporated herein by reference.

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Executed as of the ___ day of ___, 20__.

Company: BRIGHT HORIZONS FAMILY SOLUTIONS INC.

By: _____
Name:
Title:

Grantee:

Name:
Address:

[Signature Page to Performance Stock Unit Agreement]

Schedule A

The Performance Units shall vest based on the three-year average Adjusted EBITDA Growth over the Performance Period, as determined by the Administrator in its sole discretion, subject to the service vesting conditions, as described below in this Schedule A.

1. Vesting. Effective as of the Vesting Date, a number of Performance Units shall vest equal to the product of (i) the number of Performance Units set forth in Section 1 of the Agreement, to the extent such Performance Units remain outstanding and have not otherwise been forfeited, multiplied by (ii) the Vesting Percentage, subject to the Grantee's continued Employment with the Company through the Vesting Date, except as otherwise provided in the Agreement, the Plan or this Schedule A. Performance Units that are no longer eligible to vest following the Administrator's determination of the number of vested Performance Units shall immediately be forfeited to the Company by the Grantee for no consideration as of the date of such determination. Each number, factor and metric used to calculate the number of vested Performance Units shall be determined by the Administrator in its sole discretion.

2. Definitions. The following terms, when used in this Schedule A, will have the meanings set forth below:

(a) "Adjusted EBITDA" means the Company's earnings (loss) before interest, taxes, depreciation and amortization, subject to certain other adjustments made with respect to extraordinary, unusual or infrequently occurring events, as reported or included in the Company's financial results, financial statements and/or Annual Report on Form 10-K.

(b) "Adjusted EBITDA Growth" means, with respect to any Performance Year, the percentage derived from applying the following formula: (i) the Company's actual Adjusted EBITDA for such Performance Year, divided by (ii) the Company's actual Adjusted EBITDA for the calendar year immediately preceding such Performance Year, minus (iii) one.

(c) "Annual Performance Percentage" means, with respect to any Performance Year, the percentage derived from the following table:

Achievement Level	Adjusted EBITDA Growth for the Performance Year	Annual Performance Percentage
Maximum	$\geq [\bullet]\%$	200%
Target	$[\bullet]\%$	100%
Threshold	$[\bullet]\%$	50%
Below Threshold	$< [\bullet]\%$	0%

In the event that the Adjusted EBITDA Growth for the Performance Year falls between any of the stated Adjusted EBITDA Growth percentages in the table above, the Annual Performance Percentage for the Performance Year shall be determined using a linear interpolation from the next lowest stated percentage. For the avoidance of doubt, if the Adjusted EBITDA Growth for any Performance Year falls below the "Threshold" achievement level in the table above then the Annual Performance Percentage for the Performance Year shall be 0%, and if the Adjusted EBITDA Growth for any Performance Year falls above the "Maximum" achievement level in the table above then the Annual Performance Percentage for the Performance Year shall be 200%.

(d) "Performance Year" means any calendar year during the Performance Period.

(e) “Vesting Percentage” shall be the percentage derived from a fraction, (i) the numerator of which is the sum of the Annual Performance Percentage for each Performance Year during the Performance Period, and (ii) the denominator of which is three; provided that, if the Vesting Percentage derived from such fraction is less than 50%, then the Vesting Percentage shall be 0% and no Performance Units shall vest. Notwithstanding anything herein to the contrary, the Administrator may decrease the Vesting Percentage with respect to any of the Performance Units, in its sole discretion.

3. Adjustments. Notwithstanding anything herein or in the Plan to the contrary, the Administrator may adjust the Performance Goals set forth herein to exclude the impact of any acquisitions or dispositions of businesses or business segments by the Company, one-time non-operating charges, unusual or nonrecurring items, accounting changes (including the early adoption of any accounting change mandated by any governing body, organization or authority), changes in tax laws, impact of discontinued operations, restatements of prior period financial results, and any other events or transactions that may result in distortion of such Performance Goals. In addition, if the Administrator determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Performance Goals set forth herein unsuitable, the Administrator may modify such Performance Goals, in whole or in part, as the Administrator deems appropriate and equitable.

* * *

ADDENDUM A TO PERFORMANCE STOCK UNIT AGREEMENT
COUNTRY-SPECIFIC TERMS
FOR GRANTEES OUTSIDE THE U.S.

These Country-Specific Terms include additional terms and conditions (and/or variations to the terms and conditions) that govern the Performance Units awarded to the Grantee if the Grantee resides in one of the countries listed below. Capitalized terms used but not defined in these Country-Specific Terms are defined in the Plan (or any applicable sub-plan) or this Agreement and have the meanings set forth therein.

AUSTRALIA

Securities Law. This offer is made under Division 1A of Part 7.12 of the Corporations Act, 2001 (Commonwealth).

General Advice. Any information or advice given by the Company or its Affiliates in relation to the grant of the Performance Units under the Plan does not take account of the objectives, financial situation and needs of the Grantee. The Grantee should consider obtaining financial product advice that takes into account the objectives, financial situation and needs of the Grantee.

Data Privacy. The Grantee consents to the disclosure of the Grantee's Data under Section 18(c) to overseas recipients (including persons located in the United States of America and elsewhere). The Grantee acknowledges that, by consenting to such disclosure, Australian Privacy Principle 8.1 will not apply to the disclosure and as a result the Data recipients will not be accountable under the Privacy Act 1988 (Commonwealth) (the "Australian Privacy Act") and the Grantee may not be able to seek redress under the Australian Privacy Act in respect of this Data.

Tax Notice. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Commonwealth), as amended, applies to the Performance Units granted under the Plan (subject to the requirements of the Income Tax Assessment Act 1997 (Commonwealth)) and the Performance Units are intended to qualify for tax deferral treatment in Australia (subject to the requirements of the Income Tax Assessment Act 1997 (Commonwealth)).

THE NETHERLANDS

Taxes. The following will be added as a new Section 13(e) (Certain Tax Matters):

“(e) The Grantee indemnifies the Company and/or any Affiliate, and holds them harmless against and from all liability for any Taxes or other payment, interest, penalty and costs thereon, including without limitations, liabilities relating to the necessity to withhold, or to have withheld, any such Taxes from any payment made to the Grantee, if and to the extent allowed under applicable law and regulations.”

Data Privacy. The following replaces Section 18 of the Agreement:

(a) The Grantee hereby acknowledges and understands that the Grantee's personal data - being personal data within the meaning of the (EU) 2016/679 General Data Protection Regulation (the "GDPR") - is collected, retained, used, disclosed, transferred and/or otherwise processed, in electronic or other form, by the Company as described in this Award Agreement. The collection and processing of the personal data shall be subject to the provisions of the

GDPR and the Dutch GDPR Implementation Act (*Uitvoeringswet AVG, UAVG*). The Grantee's personal data will only be processed when there is a legal basis for processing as set out in article 6 GDPR. The following legal bases shall apply with respect to the processing of personal data in the context of the Plan: (i) processing is necessary for the performance of the Company's contractual obligations under this Award Agreement, (ii) processing is necessary for compliance with the Company's legal obligations, and (iii) processing is necessary for the purpose of the Company's legitimate interest in relation to implementing, administering and managing the Grantee's participation in the Plan and in the context of the establishment, exercise or defense of a legal claim in relation to the Award Agreement and/or the Plan.

(b) The personal data being processed in the context of the Plan relate to the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's participation in the Plan, *i.e.*, the Grantee's name and signature, home address, telephone number and e-mail address, date of birth, citizen service number or other national identification number, salary, bank account details, nationality, job title, any equity or directorships held in the Company and details of all options or any other entitlement to equity awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of the implementation, management and administration of the Plan (the "Data").

(c) The Company will process the Data for the exclusive purpose of (i) implementing, administering and managing participation in the Plan, (ii) communicating with the Grantee in connection with the Plan, (iii) internal administration, (iv) complying with the Company's legal obligations, and (v) for the purpose of its legitimate interests such as to establish, exercise or defend its rights and legal position and to monitor compliance with the Award Agreement, in accordance with the GDPR.

(d) The Grantee understands that the Data may be transferred to the Company, the Grantee's employer, the Company's Affiliates and where relevant, external (legal) advisors, banks, pay roll providers, potential business partners in the context of a contemplated sale or restructuring of the Company, competent authorities and where relevant third parties assisting in the implementation, administration and management of the Plan. The Grantee understands that the Grantee may at any time request details of the categories of recipients of the Data by contacting the Company's data protection officer at dataprivacy@brighthorizons.com. The Grantee understands that the recipients receive, possess, use, retain and transfer the Data, in electronic or other form, solely for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including transfers of such Data to a broker or other third party.

(e) The Grantee acknowledges that these recipients may be located in the Grantee's country, or elsewhere (including countries outside the European Union, such as the United States of America), and that the recipient's country may have a different or lower standard of data privacy rights and protections than the Grantee's country. Where the Data will be transferred outside the European Union, and where there is not a European Commission adequacy decision in place, the transfers will be in accordance with Chapter V of the GDPR and in line with the recommendations of the European Data Protection Board. For more information on the transfer mechanisms used, and/or to obtain a redacted copy of such appropriate safeguards, the Grantee may contact the Company's data protection officer at dataprivacy@brighthorizons.com. In the absence of appropriate safeguards, the Data will not be transferred to a third party located outside the European Union, unless a specific derogation applies in the sense of article 49 of the GDPR.

(f) Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan in accordance with

applicable law. For more information on specific retention periods, please contact the Company's data protection officer at dataprivacy@brighthorizons.com.

(g) The Grantee understands that the Grantee may, at any time, without any cost and under certain circumstances exercise the rights granted to the Grantee by the GDPR including the right to: request to access or be provided with a copy of the Grantee's Data, request additional information about the storage and processing of the Data, require rectification or erasure of (part of) the Data, or to object or have restricted the processing of the Data and to comply with the Grantee's right to data portability, by contacting the Company or to lodge a complaint with the competent (national) Data Protection Authority. The above rights can be exercised by contacting in writing the Company's data protection officer at dataprivacy@brighthorizons.com. The Grantee understands, however, that processing of the Grantee's Data is necessary for participation in the Plan and that objecting to the processing of the Grantee's Data may affect the Grantee's ability to participate in the Plan.

(h) For more information on the processing of the Grantee's Data and other personal data in the context of his employment relation with the Company or an Affiliate in general, the Grantee is referred to the Privacy Notice provided to the Grantee by the Grantee's employer.

UNITED KINGDOM

U.K. Subplan. If the Award is being made to a U.K. Employee (as such term is defined in such UK Sub-Plan (as defined below)):

(a) the Award is being made pursuant to the sub-plan for employees resident in the United Kingdom created and approved in accordance with the provisions of Section 12 of the Plan (the "UK Sub-Plan"), and the Plan, as amended by the UK Sub-Plan, and the main body of the Agreement shall be deemed amended accordingly;

(b) any references in the main body of the Agreement to such Award having been made pursuant to the Plan, or to the participation of the Grantee in the Plan, shall be deemed to be references to such Award having been made pursuant to, and such participation being in, the UK Sub-Plan;

(c) any other reference in the main body of the Agreement to the Plan shall (as appropriate and unless the context otherwise requires) be deemed to be a reference to the UK Sub-Plan (including the Plan, as amended by and incorporated into the UK Sub-Plan);

(d) any reference in the main body of the Agreement to a specific provision of the Plan shall be deemed to be a reference to such provisions of the Plan as amended by and incorporated into the UK Sub-Plan; and

(e) in the event of any conflict between the terms of the Agreement and the terms of the UK Sub-Plan, the UK Sub-Plan shall prevail.

Termination of Service. The Grantee has no right to compensation or damages on account of any loss in respect of the Award under the Plan or (as applicable) the U.K. Subplan where the loss arises or is claimed to arise in whole or part from: (a) the termination of the Grantee's office or employment; or (b) notice to terminate the Grantee's office or employment. This exclusion of liability shall apply however, termination of office or employment, or the giving of notice, is

caused, and however compensation or damages are claimed. For the purpose of the Plan and the U.K. Subplan, the implied duty of trust and confidence is expressly excluded.

Certain UK Tax Matters. Without prejudice to the generality of Section 13 of the Agreement, the Grantee hereby indemnifies the Company and, if different, the Grantee's employer (or any other Affiliate which is required to account for relevant Taxes to HMRC), for any Taxes that may be payable with respect to any income or gains arising or deemed to arise to the Grantee in connection with the Award (including without limitation in connection with the issuance, vesting or settlement of any Award and/or vesting, holding or disposal of the full number of any shares of Stock issued or deemed issued pursuant to any Performance Unit). Subject to the Grantee otherwise making good such amount to the Company or (if different) the Grantee's employer or other Affiliate which is required to account for relevant Taxes to HMRC, the Grantee undertakes to pay to the Company, the Grantee's employer or such other Affiliate (as relevant) any amount required under this paragraph within five working days of demand. For the avoidance of doubt any amount received pursuant to this paragraph by a person who is not the person required to account for such Taxes to HMRC is received as agent for and on behalf of the person so required to account.

As a condition to the issuance of shares of Stock under the Award, the Grantee unconditionally and irrevocably agrees, if so required by the Company, to enter into a joint election within section 431(1) of (UK) Income Tax (Earnings and Pensions) Act 2003 ("ITEPA") disapplying all restrictions in respect of the acquisition of "restricted securities" (as defined in Section 423 and 424 of ITEPA).

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

I, Stephen Kramer, 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: May 8, 2023

/s/ Stephen Kramer

Stephen Kramer
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: May 8, 2023

/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 March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen Kramer, 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: May 8, 2023

/s/ Stephen Kramer

Stephen Kramer
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.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

**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 March 31, 2023, 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: May 8, 2023

/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.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.