

## **VERA BRADLEY, INC.**

### **AUDIT COMMITTEE CHARTER**

#### **Statement of Purpose**

This charter governs the operations of the audit committee (the “Committee”). The Committee shall provide assistance to the board of directors (the “Board”) of Vera Bradley, Inc. (the “Company”) in fulfilling its oversight responsibility to the shareholders of the Company relating to the Company’s financial statements and financial reporting processes, the systems of internal reporting and financial controls, the annual independent audit and quarterly review of the Company’s financial statements, the legal compliance and ethics policies and such other matters set forth herein or otherwise established by the Board. In so doing, it is the responsibility of the Committee to maintain free and open communication among the Committee, the independent auditors and management of the Company.

#### **Membership**

The Committee shall consist of at least three (3) directors each of whom shall (i) be “independent” as defined under the applicable rules of The Nasdaq Stock Market LLC (“Nasdaq”) and the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including applicable phase-in periods contained therein, (ii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three (3) years and (iii) be able to read and understand fundamental financial statements. In addition, at least one (1) member of the Committee shall satisfy the “audit Committee financial expert” requirements under the Exchange Act, whether by reason of past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which results in the member’s financial sophistication. The audit Committee financial expert is not required to be the chairman of the Committee.

Notwithstanding the above independence requirements, one (1) director who (i) is not independent as defined under the applicable Nasdaq rules, (ii) meets the criteria set forth in Section 10A(m)(3) under the Exchange Act and the rules thereunder and (iii) is not a current officer or employee or a family member of a current officer or employee, may be appointed to the Committee if the Board, under exceptional and limited circumstances, determines that membership on the Committee by the director is required by the best interests of the Company and its shareholders. If such a director is appointed to the Committee, the Company shall disclose the nature of the director’s relationship and the reasons for the Board’s determination in the next annual proxy statement subsequent to such determination. A member appointed under this exception may not serve longer than two (2) years and may not serve as the chairman of the Committee.

#### **Committee Organization and Procedures**

The members of the Committee shall be appointed by the Board and shall serve at the discretion of the Board. Appointments to the Committee, including the chairman of the Committee, shall be made by the Board and shall conform to the Company’s bylaws, this charter and applicable legal

and regulatory criteria, as appropriate under the circumstances. Members shall be appointed annually for a term of one (1) year. The chairman shall preside over the meetings of the committee and may call special meetings, in addition to those regularly scheduled, and will report to the Board the actions and recommendations of the Committee. The Committee shall have the authority to establish its own rules and procedures consistent with the bylaws of the Company for notice and conduct of its meetings should the Committee, in its discretion, deem it desirable to do so. A majority of the members of the Committee shall constitute a quorum for the transaction of business and the action of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee. Unless otherwise stated herein or established by the Committee, the Committee shall be governed by the same procedural rules, including rules regarding meetings, actions without meetings, notices and waivers of notice, as are applicable to the Board.

The Committee may, in its discretion and only to the extent consistent with applicable law and regulations, delegate certain of its authority to a subcommittee of the Committee. The Committee shall have the authority to cause investigations to be made of such matters within the scope of the Committee's purposes and responsibilities as the Committee may deem appropriate. Such investigations may be made by the Company's employees or such other persons or firms as the Committee may direct. The Committee may require officers and employees of the Company to produce such information and reports, including reports to be provided annually or on other regular bases, as the Committee may deem appropriate.

In order to carry out its duties under this charter, the Committee is authorized to select, retain, terminate and approve the fees and other retention terms of counsel, experts or consultants, as the Committee deems appropriate, without seeking the approval of management or the Board. The Company shall provide for appropriate funding for the payment of any such fees.

### **Responsibilities**

The primary responsibility of the Committee is to oversee the Company's financial reporting processes on behalf of the Board and report the results of its activities to the Board. Management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing those financial statements. The Committee's policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The Committee should take appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behavior.

In fulfilling its responsibilities, the Committee shall:

1. Establish a clear understanding with the independent auditors that the independent auditors shall report directly to the Committee and be ultimately accountable to the Board.
2. Evaluate, compensate, retain, oversee and, when appropriate, replace the independent auditors, including annually reviewing and selecting the independent auditors.
3. Discuss with the independent auditors their independence from the Company, and obtain and review a written statement prepared by the independent auditors describing all relationships

between the independent auditors and the Company, consistent with Ethics and Independence Rule 3526.

4. Discuss with the independent auditors any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and shall take, or recommend the Board take, appropriate action to oversee the independence of the independent auditors.

5. Discuss with the independent auditors the overall scope and plans for their audit, including the adequacy of staffing and compensation.

6. Pre-approve all audit services and permissible non-audit services to be performed by the independent auditors, as set forth in Section 10A of the Exchange Act and the rules and regulations promulgated thereunder. The Committee may establish pre-approval policies and procedures, as permitted by Section 10A of the Exchange Act and the rules and regulations promulgated thereunder, for the engagement of independent auditors to perform services to the Company, including, but not limited to, policies that would allow the delegation of pre-approval authority to one or more members of the Committee.

7. Discuss with management and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage business risk and legal and ethical compliance policies.

8. Meet separately, at its discretion, with the independent auditors and management to discuss such matters within the scope of the Committee's authority, as determined by the Committee from time to time to be necessary or appropriate.

9. Review with management and the independent auditors the quarterly and annual financial statements, including judgments regarding the quality (not just the acceptability) of accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements.

10. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

11. Review all related party transactions, as defined in Item 404 of Regulation S-K under the Exchange Act, for potential conflict of interest situations, and all such transactions shall be approved by the audit Committee prior to consummation.

12. Review with management earnings press releases (including any use of pro forma or other non-GAAP information) prior to the issuance of any such press release.

13. Discuss with management and the independent auditors, as appropriate, any correspondence with regulators and governmental agencies and any employee complaints or reports that raise material issues regarding the Company's financial statements, accounting policies or internal controls.

14. Prepare the report required by the Securities and Exchange Commission's proxy rules to be included in the Company's annual proxy statement.

15. Review and assess the adequacy of this charter annually.

16. Evaluate its own performance annually and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

17. Discharge any other duties, responsibilities or activities delegated to the Committee by the Board from time to time.

The list of activities set forth above is not an exhaustive list of all of the permitted activities of the Committee, and the Committee may take such other actions as its members from time to time deem necessary or appropriate

The chairman of the Committee, in addition to performing responsibilities as chairman attendant to the responsibilities of the Committee as provided above, shall review with the Chief Executive Officer of the Company between regularly scheduled meetings of the Board the agenda and plan for subsequent regularly scheduled meetings of the Board.

It shall be the responsibility of each member of the Committee to immediately disclose to the chairman of the Committee any relationship that, either in fact or in appearance, might impact the independent judgment of such member in his or her service as a member of the Committee.

### **Internal Audit Function**

The Company may elect to have an internal audit function and, in such case, the manager of such internal audit function shall report directly to the Executive Vice President – Chief Financial Officer and the Committee. The Committee shall meet periodically with the manager of the internal audit function to discuss the responsibilities, budget and staffing of the Company's internal audit function and any issues or findings that the Finance Project Manager believes warrant the Committee's attention.

### **Meetings**

The Committee shall meet as frequently as the members of the Committee in their discretion deem desirable, but no less frequently than quarterly. The Committee may also hold special meetings that may be called by telephone or written notice by the chairman of the Committee. The Committee Chair, in consultation with other Committee members, shall establish meeting agendas. The Committee will cause to be kept adequate minutes of its proceedings and shall report periodically, as deemed necessary or desirable by the Committee, to the Board regarding the Committee's actions and recommendations. The Committee may have in attendance such representatives of senior management, consultants, advisors or others as it may deem necessary to provide the necessary information to carry out its duties.

### **Reporting to Board**

The Committee shall report as to its activities to the Board and, where appropriate, its recommendations for action by the Board at its next meeting subsequent to that of the Committee. Certain action by the Committee may be similarly reported to the Board for approval or ratification.

This charter may be amended or modified only by the Board.

Approved: February 25, 2016