

CORPORATE GOVERNANCE GUIDELINES

OF

VERA BRADLEY, INC.

Preamble

These Corporate Governance Guidelines established by the Board of Directors (the "Board") of Vera Bradley, Inc. (the "Company") provide a structure within which our directors and management can effectively pursue the Company's objectives for the benefit of its shareholders. The Board intends that these Guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations. These guidelines should be interpreted in the context of all applicable laws, the Company's Articles of Incorporation and Bylaws and other governing legal documents and company policies.

I. Board Composition and Structure

A. Size of Board. The Board periodically reviews its size to determine the size that is appropriate for its effective operation. In general, the Board shall be comprised of between nine and twelve members, recognizing that retirements, resignations, and recruiting delays may result, periodically, in the Board consisting, for some transitional period, of a slightly greater or lesser number of directors than the Board may have targeted.

B. Mix of Directors; "Independent" Directors.

No relationship between any non-employee director and the Company should be of a nature that could compromise the independence or judgment of any Board member in governing the affairs of the Company. The determination of what constitutes independence for a non-employee director in any individual situation shall be made by the Board in light of the totality of the facts and circumstances relating to such situation and in compliance with the requirements of the NASDAQ's applicable listing standards and other applicable rules and regulations.

C. Selection of Directors. Each year at the Company's annual meeting of shareholders, the Board recommends a slate of nominees for election by shareholders. In addition, the Board fills vacancies on the Board when necessary or appropriate. The Board's recommendations or determinations are based on the recommendations of, and information supplied by, the Nominating and Corporate Governance Committee as to the suitability of each individual and, where applicable, the slate as a whole to serve as directors, taking into account the criteria described below and other factors, including the requirements for Board committee membership. In recommending nominees, the Committee shall consider nominees recommended by the Company's shareholders provided any such shareholder follows the procedures set forth in the Company's Proxy Statement for its most recent annual meeting of shareholders.

D. Board Membership Criteria.

The Nominating and Corporate Governance Committee is responsible for, among other things, reviewing on an annual basis the appropriate skills and characteristics required of directors in the context of prevailing business conditions and for making recommendations regarding the size and composition of the Board. The objective is a Board that brings to the Company a variety of perspectives and skills that are derived from high-quality business and professional experience and that are aligned with the Company's strategic objectives.

The Board also seeks members from diverse backgrounds so that the Board consists of members with a broad spectrum of experience and expertise and with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated, and be selected based upon contributions that they can make to the Company.

E. Lead Independent Director. The Board endorses the informal role of a Lead Independent Director to be appointed by the independent directors, who may serve as the focal point for independent directors. A description of the role of the Lead Independent Director is attached as Exhibit A.

F. Term Limits; Resignation.

1. *Term Limits*. The Board does not believe that it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of causing the loss of the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations, and therefore provide an increasing contribution to the Board as a whole.

2. *Change in Job Responsibility*. When a director's principal occupation or business association changes from his or her present employment, the director shall inform the Chairman of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall review the director's continuation on the Board and recommend to the Board whether, in light of all the circumstances, the Board should request that the director tender his or her resignation from the Board. If the Board so requests, the director shall then tender his or her resignation.

H. Additional Directorships. Directors are encouraged to limit the number of other boards of directors (excluding non-profit boards of directors) on which they serve, taking into account their potential meeting attendance, participation, and effectiveness on these boards of directors. It is generally advisable for members of the audit committee to limit the number of audit committees on which they serve to three.

The Nominating and Corporate Governance Committee and the full Board will take into account the nature of and the time involved in a director's service on other boards of directors in evaluating the suitability of individual director candidates. Every director must seek the consent of the Nominating and Corporate Governance Committee and the Chairperson of the Board to confirm the absence of any actual or potential conflict prior to accepting any invitation to serve on another corporate or not-for-profit board of directors or with any government or advisory group.

I. Compensation of Non-Employee Directors. Company management should report to the Compensation Committee biannually as to how the Company's non-employee director compensation practices compare with those of other peer group public corporations. The Board should make changes in its non-employee director compensation practices only upon the recommendation of Compensation Committee after discussion and unanimous concurrence by the full Board. In discharging this duty, the Compensation Committee and the full Board should be guided by the following principles: compensation should fairly pay directors for the work required; compensation should align directors' interests with the long-term interests of shareholders; and the structure of the compensation should be simple, transparent, and easy for shareholders to understand.

II. Board Meetings and Procedures

A. Board Meetings.

1. *Number of Meetings; Attendance and Preparation.* The Board holds a minimum of four regularly scheduled meetings per year. Directors are expected to attend all regularly scheduled meetings and to have, prior to the meetings, reviewed all written meeting materials distributed to them in advance. Directors are expected to be physically present at all regularly-scheduled meetings, and a director who is unable to attend a meeting is expected to notify the Chairperson of the Board in advance of such meeting.

2. *Selection of Agenda Items.* The Chairperson of the Board and CEO should establish the agenda for Board meetings; however, directors may at any time suggest that particular items be placed on the agenda and the lead director should be given an opportunity to review all agendas.

3. *Distribution of Materials.* The Company will distribute written materials, including the agenda, for use at Board meetings sufficiently in advance of meetings to permit meaningful review. It is recognized, however, that under certain circumstances written materials may be unavailable to directors in advance of the meeting. On those occasions in which the subject matter is too sensitive to provide in writing, the Chairperson of the Board may elect to contact each director by telephone in advance of the meeting to discuss the subject and the principal issues the Board will need to consider. The Nominating and Corporate Governance Committee periodically reviews the information flow to Board members to ensure that directors receive the right kind and amount of information in sufficient time to prepare for meetings.

4. *Attendance of Non-Directors.* The Board believes that attendance of key executive officers augments the meeting process by providing certain expertise and insight into items that are open for discussion at certain meetings.

5. *Executive Sessions of Non-Employee Directors.* The non-employee directors of the Board will meet in executive session during each of the Board's regularly scheduled meetings, without any management directors and any other members of the Company's management present, to (i) evaluate the CEO; (ii) review management succession planning; and (iii) consider such other matters as they may deem appropriate. The lead director will preside at the executive sessions. The directors may meet in

executive session at any time to consider issues that they deem important to address without management present. Following each executive session, the results of the deliberations and any recommendations should be communicated to the full Board.

B. Access to Senior Management/Independent Advisors. Board members have complete and open access to senior members of management. The CEO will invite key employees to attend Board sessions at which the CEO believes they can meaningfully contribute to Board discussion. Each Committee of the Board has the authority, in the discretion of the Committee, to retain independent advisors.

C. Access to Shareholders and Other Interested Parties. The Chairperson of the Board and the CEO are responsible for establishing effective communications with the Company's shareholders, customers, associates, communities, suppliers, creditors, and corporate partners. Directors are not precluded from meeting with such parties, but any such meetings generally should be held with management present.

D. Confidentiality. The Board believes that maintaining confidentiality of information and deliberations is an imperative.

III. Board Duties and Responsibilities

Being elected to serve on the Board of Directors is a high honor and privilege, but one that carries with it a serious responsibility to serve the interests of the Company and its shareholders. It is the desire of the Company that all Board members should conduct themselves and perform their duties in an exemplary fashion, commensurate with the position of leadership that has been bestowed upon them by the shareholders.

Board members must always abide by the standards of conduct imposed by Indiana Code section 23-1-35-1 pertaining to their role as Directors of the Company. As fiduciaries of the Company resources and guardians of its mission, each Board member has basic responsibilities that derive from these legal duties:

- To support the mission and purpose of the Company, as reflected in its Articles of Incorporation, and to abide by its Bylaws and policies;
- To be diligent in preparation for, attendance at, and participation in Board meetings and related activities on behalf of the Company;
- To ensure that the financial and business affairs of the Company are, to the best of the Board member's awareness, managed in a responsible manner;
- To act always in good faith and in the best interest of the Company, above any personal interest; and
- To maintain the confidentiality of sensitive or proprietary information obtained as a result of Board service.

The Board reviews the annual operating plan and specific goals of the Company at the start of the fiscal year and reviews financial performance quarterly. The Board expects that long-range strategic issues will be discussed regularly at Board meetings. The Board believes that the long-term success of the

Company depends on maintaining an ethical business environment and expects that management will conduct the operations of the corporation in a manner consistent with the Board's philosophy. The Board believes that the management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. But it is expected that Board members would do this with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of the management.

B. Oversight. To accomplish its mission to maximize long-term shareholder value, the Board must:

1. Ensure that the Company operates in a legal, ethical, and socially responsible manner;
2. Select, evaluate, and offer substantive advice and counsel to the CEO and work with the CEO to develop effective measurement systems that will evaluate and determine the Company's degree of success in creating long-term economic value for its shareholders;
3. Review, approve, and monitor fundamental financial and business strategies and major corporate actions;
4. Oversee the Company's capital structure and financial policies and practices;
5. Assess major risks facing the Company and review options for their mitigation; and
6. Provide counsel and oversight on the selection, evaluation, development, and compensation of executive officers and provide critical and candid feedback on their successes and failures.

C. Corporate Governance. The Board will review and, if it deems appropriate, approve changes to these corporate governance principles that have been recommended to the Board by the Nominating and Corporate Governance Committee.

D. Charters. The Board will review and, if it deems appropriate, approve changes to the Company's Audit, Nominating and Corporate Governance, and Compensation Committee charters that have been recommended to the Board by such committees.

E. Education.

The Company should have a full educational program for new Board members that includes background materials, meetings with key management, and visits to Company facilities. Additionally, all directors will periodically attend educational opportunities enabling them to better perform their duties.

F. Assessing Board and Committee Performance. The Board will conduct an annual self-evaluation of its performance and an evaluation of each of the Board committees' performance. The Board's evaluation will be based, in part, on the Nominating and Corporate Governance Committee's evaluation of the Board, and the self evaluations conducted by each of the Committees. In addition, the Board may also elect to conduct an evaluation of the performance of its individual members in such format as the Board selects.

G. Assessing CEO Performance. The Board believes that the CEO's performance should be evaluated annually and as a regular part of any decision with respect to CEO compensation. The Board has delegated the responsibility to the Nominating and Corporate Governance Committee to evaluate the CEO's performance in the course of approving CEO salary, bonus, and long-term incentives. The Committee is responsible for setting annual and long-term performance goals for the CEO and for evaluating his/her performance against such goals. The Committee meets annually with the CEO to receive his/her recommendations concerning such goals and to evaluate his performance against the prior year's goals.

H. Succession Planning. The Board plans for the succession to the positions of CEO and other executive officers of the Company. The CEO also will provide the Nominating and Corporate Governance Committee with an assessment of persons considered to be potential successors to executive officer positions and a review of any development plans recommended for such potential successors. The results of these reports will be reported to and discussed with the Board.

I. Business Conduct and Ethics. The Board believes that, in order to maintain the highest ethical, legal, and socially responsible standards of conduct, the Company should maintain appropriate codes of business conduct and ethics regarding, among other things: (i) conflicts of interest, (ii) corporate opportunities, (iii) confidentiality, (iv) fair dealing, (v) protection and proper use of Company assets, (vi) compliance with laws, rules, and regulations, and (vii) such other matters as the Board deems appropriate. Such codes also will include standards of conduct reasonably applicable to designated persons, including the CEO and the senior financial officers, designed to promote: (i) honest and ethical conduct, (ii) full, fair, accurate, timely, and understandable disclosure in the periodic reports, proxy statements, and other filings under the Exchange Act that are required to be filed by the Company, and (iii) compliance with applicable governmental rules and regulations.

IV. Board Committees

A. Board Committees; Committee Charters. Except where Board committees have sole authority to act as required by applicable law or a listing standard, it is the general policy of the Company that major decisions be considered by the Board as a whole. As a consequence, the Board has determined to constitute only those committees that it believes are critical to the efficient operation of the Board or are required by applicable law or a listing standard. The Board currently has three standing Committees: the Audit Committee; the Nominating and Corporate Governance Committee; and the Compensation Committee. The Board has the authority to establish such other committees, temporary or permanent, as the Board deems advisable. Each of the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation Committee will consist of three or more directors, each of whom will satisfy the independence requirements set forth herein and any additional requirements set forth in their respective charters and any other listing or regulatory requirements. The Nominating and Corporate Governance Committee will recommend, and the Board will designate, a chairperson of each committee and the members of each committee, and an audit committee financial expert (as defined by Section 401 of Regulation S-K) to serve of the Audit Committee. In addition, the composition of the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation

Committee will comply with all other applicable laws, regulations and stock exchange listing requirements.

Each committee will have appropriate written charters. The charter of each committee will be reviewed annually by the Board and the relevant committee. These committee charters will be made available on the Company's website.

B. Committee Agendas. The chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop his/her committee's agenda. Each committee will issue a schedule of agenda subjects to be discussed for the ensuing year at the beginning of each year. This forward agenda also will be shared with the Board.

C. Rotation of Committee Members. The Board does not believe in mandating fixed rotation of committee members and/or committee chairpersons, since there may be reasons at a given point in time for maintaining continuity. Ideally, however, the Board will seek to rotate committee members and chairs, on a staggered basis within each committee, on an average of every five years. The Board seeks thereby to avoid director entrenchment, while ensuring continuity and the availability of experience derived through longevity.

D. Board Oversight; Committee Reports. The Board is responsible for overseeing the activities of its committees (except where such committees have sole authority to act pursuant to applicable law or listing standard) and for ensuring that the committees are fulfilling their duties and responsibilities. The Board will regularly receive reports from its committees regarding their activities and will take such actions as it deems necessary or appropriate in response to these reports.

V. Other Principles

A. Disclosure and Review of Corporate Governance Principles.

These corporate governance principles will be made available on the Company's website. The Nominating and Corporate Governance Committee will review these corporate governance principles from time to time, but not less frequently than annually, and will report the results of its review to the full Board.

B. Disclosure Policy. The Board believes that it is imperative that the Company promote full, fair, accurate, timely, and understandable disclosure in the periodic reports and other statements required to be filed by the Company.

D. Loans; Option Re-Pricing. Personal loans to directors or executive officers are not permitted. Additionally, the Company does not engage in the re-pricing of options.

E. Audit Rotation. The Audit Committee of the Board will ensure that the lead audit partner and the audit review partner be rotated every five (5) years as is required by the rules of the SEC.

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Exhibit A

Duties of the Lead Independent Director

The Nominating and Corporate Governance Committee will review annually this position description and recommend to the Board any changes that it considers appropriate.

Duties and Responsibilities

The specific responsibilities of the Lead Director are as follows:

- Preside at all meetings of the Board at which the Board Chair is not present, including executive sessions of the independent directors.
- Serve as a liaison between the Board Chair and the independent directors.
- Approve information sent by management to the Board.
- Approve Board meeting agendas.
- Approve Board meeting schedules to assure that there is sufficient time for discussion of all agenda items.
- In accordance with the principles of these Corporate Governance Guidelines, be available for direct communication if requested by a significant shareholder.
- Serve as a resource to consult with the Board Chair, the CEO and Corporate Secretary, and other Board members on corporate governance practices and policies, and assume the primary leadership role in addressing issues of this nature if under the circumstances it is inappropriate for the Chairman to assume such leadership.
- Communicate with the Board Chair and CEO and the entire Board, as appropriate, the results of meetings of the independent directors.
- Coordinate an annual performance evaluation of the Board Chair.