

VERA BRADLEY, INC.

COMPENSATION COMMITTEE CHARTER

Statement of Purpose

This charter governs the operations of the compensation committee (the “Committee”). The purpose of the Committee is to review and report to the board of directors (the “Board”) of Vera Bradley, Inc. (the “Company”) on compensation and personnel policies, programs and plans, including management development and successions plans, and to approve and administer employee compensation and benefit programs. The Committee shall provide assistance to the Board in fulfilling its responsibilities regarding the following: (a) the compensation of the Chief Executive Officer (the “CEO”); (b) the compensation of the Company’s Executive Vice Presidents and other key executives as determined by the Committee (the “Senior Officers”), including overseeing the administration of the Company’s employee benefit and equity incentive plans, policies, practices and programs; (c) the compensation of the directors; and (d) such other duties, responsibilities and activities as may be set forth in this charter or directed by the Board.

Membership

The Committee shall consist of at least three (3) directors. Each member of the Committee shall be (i) “independent” under the applicable requirements of The NASDAQ Stock Market LLC (“NASDAQ”) or otherwise eligible to serve on the Committee in accordance with the transition periods or exceptions provided by NASDAQ, in each case, as interpreted by the Board, (ii) a “non-employee director” as defined under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (iii) an “outside director” as defined in Section 162(m) of the Internal Revenue Code, as amended. It shall be the responsibility of the Board to determine, in its judgment, whether a member is independent of management and free from any relationship or service to the Company that might interfere with his or her exercise of independent judgment in carrying out his or her responsibilities as a Committee member.

Notwithstanding the above independence requirements, one (1) director who is not independent under the applicable NASDAQ rules and is not a current officer or employee or a family member of a current officer or employee, may be appointed to the Committee for a period not to exceed two (2) years 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.

Committee Organization and Procedures

The members shall be appointed by action of 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, regulations and the Company's benefit and incentive plans, delegate certain of its authority to a subcommittee of the Committee, the CEO or another Senior Officer, including with respect to matters relating to the compensation of the Company's employees other than the Company's CEO and Senior Officers.

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. Prior to selecting a compensation consultant, external legal counsel, accountant and other advisors, the Committee shall assess the independence of such advisors taking into account such factors as required by applicable NASDAQ rules, the Securities and Exchange Commission ("SEC") and applicable law and such other factors as the Committee determines are relevant. The Committee will consider whether a conflict of interest exists with its compensation consultant based on consideration of these independence factors. This paragraph shall not be construed to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant or other advisor; or to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

Responsibilities

In fulfilling its responsibilities, the Committee shall:

1. In consultation with senior management, approve the Company's executive compensation philosophy and oversee and monitor the Company's executive compensation policies, plans and programs for the CEO and the Senior Officers to ensure that they are consistent with the Board's compensation philosophy and objectives, as well as the long-term interests of the Company's shareholders.

2. Review and approve, at least annually, the corporate goals and objectives relevant to the compensation of the CEO.
3. Review and approve, at least annually, the compensation, including any incentive compensation, of the CEO and, with respect to any incentive compensation, consider all relevant factors, including the Company's performance based on certain financial measures chosen by the Committee, relative shareholder return, the value of similar awards to chief executive officers of comparable companies, the awards given to the CEO in past years and such other factors as the Committee deems appropriate.
4. Review and approve, at least annually and in consultation with the CEO as appropriate, the compensation, including incentive compensation, for the Senior Officers (other than the CEO) of the Company.
5. Prepare and approve the report of the Committee to be included as part of the Company's annual proxy statement or annual report, as applicable.
6. Review and discuss with the Company's management the Compensation Discussion and Analysis ("CD&A"), and based on such review and discussions, determine whether to recommend to the Board that the CD&A be included in the Company's annual proxy statement or annual report, as applicable.
7. Review, approve and recommend to the Board, as appropriate, any new incentive compensation plans, including equity-based plans and, as may be required, any amendments to existing plans relative to the Senior Officers.
8. Act as the administrative Committee for the Company's employee stock option, stock incentive and stock purchase plans, with the authority delegated to it under the terms of the plan(s).
9. Review and approve, as appropriate, any contractual commitments between the Company and any Senior Officer or any other executive officer of the Company, including any offer letters of employment made to a candidate who would meet the definition of Senior Officer if hired.
- 10.** Form and oversee a management committee responsible for reviewing and making policy recommendations with respect to various benefit plans, including health and welfare retirement plans.
11. Review and evaluate the compensation of the directors, including the appropriate mix of cash compensation and equity compensation, and recommend any changes in director compensation to the Board.

12. Ensure transparency in the Company's reporting to regulatory authorities, shareholders and other constituencies with respect to compensation matters.
13. Review and assess the adequacy of this charter annually and recommend any changes to the Board.
14. 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.
15. Discharge any other duties, responsibilities or activities delegated to the Committee by the Board from time to time or by any of the Company's benefit and incentive plans.
16. The Committee may adopt policies regarding the adjustment or recovery of incentive awards or payments if the relevant Company performance measures upon which such incentive awards or payments were based are restated or otherwise adjusted in a manner that would reduce the size of an award or payment, consistent with Section 10D of the Exchange Act.
17. The Committee may adopt policies regarding the ability of any employee or Board member, or any designee of such employee or Board member, to purchase financial instruments that are designed to hedge or offset any decrease in the market value of equity securities (a) granted to the employee or Board member by the Company as part of the compensation of the employee or Board member; or (b) held, directly or indirectly, by the employee or Board member, consistent with Section 14 of the Exchange Act.
18. The Committee, along with the Audit Committee and the Company's Chief Financial Officer, will review the Company's incentive compensation arrangements, considering the Company's business objectives and an intention to promote appropriate practices and not excessive risk-taking. The Committee will review whether the Company's compensation policies and practices for its employees are reasonably likely to have a material adverse effect on the Company in support of the annual proxy disclosure. The Committee will prepare any disclosure in respect of such risks required to be included in the Company's annual Proxy Statement or annual report on Form 10-K filed with the SEC.

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 CEO 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. The Committee will have access to information necessary to evaluate and administer the compensation and benefit programs of the Company. Information includes compensation and benefits histories, competitive performance data and technical summaries of relevant tax, accounting and legal codes.

Meetings

The Committee shall meet as frequently as the members of the Committee in their discretion deem desirable, but no less frequently than once per year. The Committee may also hold special meetings that may be called by telephone or written notice by the chairman of the Committee. 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 Chair, in consultation with other Committee members, shall establish meeting agendas. 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; provided that the CEO may not be in attendance during any discussion of the compensation of the CEO.

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.

Miscellaneous

Nothing contained in this charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the Board members or Committee members. The purposes and responsibilities outlined in this charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. This charter, and any amendments thereto, shall be displayed on the Company's website and a printed copy of such shall be made available to any stockholder of the Company who requests it.

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

Approved: February 25, 2016