

## VERA BRADLEY, INC.

### CONFLICT OF INTEREST AND BUSINESS ETHICS POLICY

Vera Bradley believes that credibility, integrity, trustworthiness and our core values are critical components of the current and future success of our business. Vera Bradley is committed to upholding high ethical standards in all of its operations. *Your lawful and ethical behavior should take precedence over sales, profits and other similar measures of success.*

The integrity, reputation and profitability of Vera Bradley ultimately depend upon the ethical and legal behavior of not only our employees but also our directors, officers, representatives, agents and consultants. You are expected to understand, respect and comply with all of the laws, regulations, policies and procedures that apply to you in your position with the Company. You are responsible for talking to your supervisor or manager, Human Resources or other appropriate personnel to determine which laws, regulations and policies apply to your position and what actions are necessary to comply with them. Each of you is personally responsible and accountable for adhering to the principles embodied in this Policy.

*As a director, officer, employee, representative, agent or consultant of the Company, you are required to read this Policy and adhere to its terms. Violation of this Policy, in letter or in spirit, is grounds for disciplinary action up to and including termination.*

Vera Bradley will compete in the global marketplace on the merits of its products and services. All purchases and commitments on behalf of the Company will be made solely on a sound commercial basis considering quality, price, scope, timing and the needs of the business. Marketing activities will be conducted fairly and honestly.

Under no circumstances should you discuss or commit to arrangements with competitors or others with respect to pricing or marketing policies.

You should not give or be given any preferred conditions of employment because of familial or personal relationships. Employment decisions will be based upon sound management practices and the individual merits of applicants.

#### **Conflicts of Interest**

All directors, officers, employees, representatives, agents and consultants have an obligation to act in the best interests of Vera Bradley. This Policy is designed to prevent actual or apparent “conflict of interest” situations, including situations in which your personal, family or financial interests are contradictory to the interests of the Company and situations which otherwise cast doubt on your ability to act with objectivity in your dealings with or on behalf of the Company. You should avoid any activity, interest or association outside Vera Bradley that could impair your ability to perform your work objectively and effectively or that could give the appearance of interfering with your responsibilities on behalf of the Company or its customers.

While not an all-inclusive list, the following are examples are situations that may result in a conflict of interest:

- accepting special favors as a result of your position with Vera Bradley from any person or organization with which the Company has a current or potential business relationship;
- competing with Vera Bradley for the purchase or sale of property, services or other interests;
- receiving a personal loan or guarantee of an obligation as a result of your position with Vera Bradley; or
- working for a competitor while an employee of Vera Bradley.

If you become involved in or are otherwise made aware of such a conflict of interest, please contact your supervisor or manager, Human Resources or other appropriate personnel.

Giving and Receiving Gifts. You (and others acting on your behalf) may not give, provide or accept any gift, entertainment, meal or favor to or from any customer, potential customer, candidate for employment or other person or entity which:

- extends beyond common courtesies generally associated with local business customs;
- is excessive in value and/or could be construed as a bribe or payoff (value over U.S. \$150.00); or
- otherwise creates a conflict of interest.

***Cash gifts of any amount are never acceptable.***

Gifts that are extravagant in value or unusual in nature should not be accepted, or, if return is impractical, the gift should be given to Vera Bradley for charitable disposition or such other disposition as the Company feels is appropriate. Any questions regarding the appropriate nature of gifts or entertainment or disposition should be discussed with your supervisor or manager, Human Resources or other appropriate personnel.

Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act (the “FCPA”) prohibits offering anything of value to foreign officials for the purpose of improperly influencing an official decision. It also prohibits unlawful political contributions to obtain or retain business. Violations of the FCPA are punishable by fines and/or imprisonment. You may not authorize any payment or use of any funds or assets for a bribe, “kickback” or similar payment, which is directly or indirectly for the benefit of any individual (including any government official), company or organization in the U.S. or any other country, whether or not such payment is designed to secure favored treatment for the Company.

*Vera Bradley’s policy in this regard applies regardless of whether such a payment is lawful under the laws of any particular country.*

Outside Business Activities. Officers and employees must obtain prior written approval from an authorized representative of Vera Bradley before accepting an invitation to serve as a director or trustee of another business.

Officers and employees may not become involved in any outside activities that may be adverse to the interests of Vera Bradley or that could impair the performance of their job responsibilities.

Officers and employees are also required to obtain prior written approval from an authorized representative of Vera Bradley prior to making any investment in a customer, potential customer or other business entity with which the Company has or may have dealings, if such person is in a position to influence Vera Bradley's decision to do business with the customer, potential customer or business entity. This restriction does not apply to investments in a publicly-held company if the investment constitutes less than five percent (5%) of the ownership of the publicly-held company.

Officers and employees are prohibited from having any direct or indirect ownership interest of, or management or operational involvement in, any business that competes with Vera Bradley for customers, suppliers, employees or alliances. This restriction does not apply to investments in a publicly-held company if the investment constitutes less than five percent (5%) of the ownership of the publicly-held company.

Related Person Transactions. A "related person" transaction, as defined in Item 404 of Regulation S-K under the Exchange Act, will not be a conflict of interest under this Policy if it is reviewed and approved by the audit committee (the "Audit Committee") of the Board of Directors of Vera Bradley (the "Board") before it is consummated. Generally, a related party transaction is any transaction or series of similar transactions to which Vera Bradley is a party, in which the amount involved exceeds \$120,000 and in which any Board member, executive officer, beneficial holder of more than five percent (5%) of Company stock or any immediate family member of any of the foregoing persons has a direct or indirect material interest.

### **Advancement and Protection of Company Interests**

Corporate Opportunities. You owe a duty to Vera Bradley to advance its interests. Business opportunities that arise as a result of your position in the Company or through the use of Company property or information belong to the Company. No director, officer, employee, representative, agent or consultant may use his or her position or corporate property or information for personal gain, or take for themselves Company opportunities for sales or purchases of products, services or interests.

Use of Company Computer and Communications Resources. Theft, carelessness, misuse and waste have a direct impact on the Company's profitability. Generally, you should use Vera Bradley's systems, capabilities and property, including telephones, computer networks, electronic mail and remote access applications, only for legitimate Company business. Under no condition may you use Vera Bradley's systems to view, store or send unlawful, discriminatory, harassing, defamatory, or otherwise inappropriate materials.

Protecting Vera Bradley's assets against loss, theft, waste or other misuse is the responsibility of every director, officer, employee, representative, agent or consultant. Any suspected violation should be reported to your supervisor or manager, Human Resources or other appropriate personnel.

Fair Dealing. Vera Bradley is committed to honest and fair business dealings. Each director, officer, employee, representative, agent or consultant should deal fairly with Vera Bradley's customers, suppliers, and partners. No director, officer, employee, representative, agent or

consultant should take unfair advantage of anyone through misrepresentation of material facts, concealment, manipulation, abuse of confidential or privileged information, or any unfair dealing practice.

Integrity of Financial Transactions. No director, officer, employee, representative, agent or consultant may engage in unacceptable or illegal forms of payment and financial transactions. Complex commercial transactions may obscure criminal activity such as fraud, bribery or terrorism. U.S. and international anti-money laundering laws require transparency of payments and the identity of all parties to transactions. Vera Bradley will conduct business only with reputable customers, suppliers and partners, and will comply fully with all anti-money laundering laws.

### **Confidential Information**

Business information relating to Vera Bradley and its customers, subsidiaries and affiliates should be kept secure, should be used solely as authorized by the Company and must not be used for personal interests. Information related to the operations, planning and financial status of the Company should be kept confidential. All such information is proprietary, and any unauthorized use or disclosure to unauthorized persons inside or outside the Company is a serious offense. Violators may be subject to disciplinary action (up to and including termination) and, in more serious situations, civil and criminal penalties. Confidential information includes, but is not limited to, information that:

- is owned by a customer, supplier or other third party;
- is a trade secret;
- reveals Vera Bradley's marketing strategies and/or assessments of the marketplace;
- the Company intends to release only under licensing agreements or is related to software or computer programs created or designed by Vera Bradley;
- contains facts relating to employee data, health records or financial forecasts, recommendations or plans; or
- contains material, nonpublic information as defined in Vera Bradley's Insider Trading Policy.

*The above examples are intended to be illustrative and should not be considered an exhaustive list. If you have any questions about whether information is confidential, contact your supervisor or manager, Human Resources or other appropriate personnel.*

This confidentiality requirement continues after the termination of employment with Vera Bradley. In the event you violate this confidentiality requirement after termination of your employment, Vera Bradley may take legal action to enforce this Policy and may seek both injunctive relief and monetary damages.

## **Political Contributions**

Vera Bradley supports active participation in the political process and urges you to support the candidates and issues of your choice. However, there are specific legal restrictions imposed on the Company relating to political contributions. These include the following:

- Vera Bradley will not expend or employ its funds or facilities, directly or indirectly, on behalf of any political organization, campaign or candidate for public office, except as permitted by certain federal and state laws.
- Reimbursement for fund-raising events for candidates or political organizations is strictly prohibited. Providing personal services on behalf of a candidate, political organization or campaign on Company time may be deemed a contribution and is prohibited.
- Any payment, gift, entertainment or use of Company facilities for the private benefit of any government official or employee is prohibited, unless an authorized representative of the Company determines the gift, entertainment or use of facilities is lawful and prior written approval is obtained from an authorized representative of Vera Bradley.

## **Accounting Standards and Documentation**

Vera Bradley's books and records will accurately and completely reflect all assets, liabilities, revenues and expenses. No undisclosed or unrecorded funds of the Company shall be established by you on behalf of the Company for any purpose. Attempts to create false or misleading records are forbidden, and you may not record or establish any false or misleading entries in the Company's books and records for any reason. The retention or proper disposal of Company records should be in accordance with established Company record retention policies and applicable statutory and legal requirements.

Vera Bradley's business transactions worldwide will be properly authorized and completely and accurately recorded on the Company's books in accordance with the Company's established financial, accounting and management policies. Furthermore, no payment or transfer of the Company's funds or assets will be made or approved with the intention or understanding that any part of the payment or transfer is to be used except as specified in the supporting documents.

## **Public Company Reporting**

As a public company, it is of critical importance that Vera Bradley's filings with the Securities and Exchange Commission be accurate and timely. Depending on your position with the Company, you may be called upon to provide necessary information to assure that the Company's public reports are full, fair, accurate, timely and understandable. You are expected to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to Vera Bradley's public disclosure requirements.

## **Treatment of Others with Respect and Dignity**

Vera Bradley is committed to a workplace in which all individuals are treated with respect and dignity. Each individual should have the ability to work in an environment that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, Vera Bradley expects that all relationships among persons in the workplace be professional and free of bias, harassment or violence.

Misconduct, including discrimination, harassment, retaliation, malicious actions, stories regarding others or other forms of unprofessional behavior, even if not unlawful, may subject you to disciplinary action by the Company, up to and including termination. In addition, conduct that is unlawful may subject you to civil, and in some cases criminal, liability.

## **Retaliation**

Vera Bradley will not tolerate any kind of retaliation for reports or complaints regarding the misconduct of others. Open communication of issues and concerns by all employees without fear of retribution or retaliation is vital to the continued success of the Company. Unless appropriate Vera Bradley management learns of a problem, the Company cannot address it. Concealing improper conduct often compounds the problem and may delay or hamper responses that could prevent or mitigate actual damage.

## **Promoting a Safe and Healthy Working Environment**

Vera Bradley is committed to conducting its business in compliance with all applicable environmental and workplace health and safety laws and regulations. The Company strives to provide a safe and healthy work environment for employees and to avoid adverse impact and injury to the environment and communities in which it conducts its business. Achieving this goal is the responsibility of all directors, officers, employees, representatives, agents and consultants.

## **Monitoring and Reporting**

If you have any questions about this Policy or encounter any actual or potential conflict of interest or business ethics situations, please contact your supervisor or manager, Human Resources or other appropriate personnel.

*If you think that you might be in violation of this Policy, or know of a situation that has occurred or may occur which may violate this Policy, please contact your supervisor or manager, Human Resources or other appropriate personnel or anonymously submit your concerns via Vera Bradley's confidential reporting system.*

If you are a supervisor or manager, you have an additional responsibility to take appropriate steps to stop any misconduct that you are aware of and to prevent its recurrence. Supervisors and managers that do not take appropriate action may be held responsible for failure to supervise and manage properly. If your concerns relate to the conduct of the Chief Executive Officer, any other senior executive or financial officer or a member of the Board, you may also report your concerns to the Executive Vice President – Chief Financial and Administrative Officer who will, in turn, notify the Board if the allegations of unlawful or unethical conduct have merit. Similar

concerns involving the Executive Vice President – Chief Administrative Officer should be reported to the Board. In the case of accounting, internal accounting controls or auditing matters, you may also report your concerns directly to the Audit Committee.

### **Consequences of Violating the Policy**

If you are a director, officer or employee of Vera Bradley, this Policy forms part of the terms and conditions of your employment at the Company. Directors, officers and employees are expected to cooperate in internal investigations of allegations of violations of this Policy, and actual violations may subject you to the full range of disciplinary action by Vera Bradley. The Company may also report certain activities to its regulators, which could give rise to regulatory or criminal investigations. The penalties for regulatory and criminal violations may include significant fines, permanent bar from employment in the securities industry and, for criminal violations, imprisonment.

### **Amendments and Waivers**

This Policy may be amended, modified or waived only by the Board. Any such amendments, modifications or waivers shall be disclosed to Vera Bradley's shareholders and the public as required by the Securities Exchange Act of 1934, as amended, the applicable rules thereunder and applicable Nasdaq rules. Any waiver granted will be made only when circumstances warrant such a grant, and then only in conjunction with appropriate monitoring of the particular situation.

*This Policy is not a contract and should not be viewed as such. This Policy supplements and does not supersede or replace the terms and conditions of any agreement signed by you and the Company. If you believe the terms of this Policy conflict with any such agreement, you should contact your supervisor or manager, Human Resources or other appropriate personnel for clarification. Vera Bradley reserves the right to modify, change, delete, suspend or discontinue any part or parts of this Policy at any time without prior notice as business, employment legislation, economic conditions or other considerations dictate.*

Adopted:        October 20, 2010