

G&K SERVICES, INC.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

I. PURPOSE

The purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of G&K Services, Inc. (the “Corporation”) in its oversight of the Corporation’s accounting and financial reporting processes, audits of financial statements, internal control, internal and external audit functions and compliance with legal and regulatory requirements. The Committee has the responsibilities and powers set forth herein. Management is responsible for the preparation, presentation, and integrity of the Corporation’s financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Corporation and for establishing and maintaining internal control over financial reporting. The independent registered public accountants are responsible for auditing the Corporation’s financial statements and the effectiveness of internal control over financial reporting, and for reviewing the Corporation’s unaudited interim financial statements.

II. COMPOSITION; MEETINGS AND AUTHORITY

The Committee is comprised of at least three directors determined by the Board to meet the director and audit committee independence and financial literacy requirements of the NASDAQ Stock Market, LLC (“NASDAQ”), each of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall be financially sophisticated in accordance with the NASDAQ rules, as determined by the Board. Appointment to the Committee, including designation of the Committee’s Chair and the designation of any Committee member as an “audit committee financial expert,” shall be made by the Board.

III. RESPONSIBILITIES AND DUTIES

The Committee:

Independent Auditor

- A. maintains sole authority and responsibility for appointing, replacing, compensating and terminating the independent auditor, which shall report directly to the Committee.
- B. reviews and discusses with the independent auditor the independent auditor’s written statement concerning any relationship between the independent auditor and the Corporation or any other relationship that may adversely affect the independent auditor’s independence, and, based thereon, assesses the independent auditor’s independence.
- C. reviews and discusses with the independent auditor (a) its audit plans, scope and procedures; (b) the results of the annual audit and accompanying correspondence; and (c) the results of the independent auditor’s procedures with respect to interim periods.

- D. reviews and discusses reports from the independent auditor on (a) the Corporation's critical accounting policies and practices; (b) alternative accounting treatments within GAAP related to material items that have been discussed with management, including the results and ramifications thereof; and (c) other material written communications between the independent auditor and management.
- E. establishes policies and procedures for the review and pre-approval by the Committee (or delegation to members of the Committee) of all audit and permissible non-audit services, including the fees and terms thereof, to be performed by the independent auditor.
- F. obtains and annually reviews a report by the independent auditor describing the firm's internal quality control procedures, any material issues raised by the most recent internal quality control review, peer review, PCAOB inspection or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits performed by the firm and any steps taken to remedy any such issues.
- G. evaluates the independent auditor's qualifications, performance and independence, including review and evaluation of the lead audit partner.

Internal Audit

- H. reviews and approves the appointment or removal of the Corporation's Director of Internal Audit, provides input into his or her annual performance assessment and assesses his or her independence.
- I. reviews annually with the Corporation's Director of Internal Audit the scope of the Corporation's internal audit function, and reviews annually the performance of internal audit in executing its plans and meeting its objectives.

Financial Statements

- J. discusses with management and the independent auditor quarterly earnings press releases and Quarterly Reports on Form 10-Q.
- K. reviews with management year-end audited financial statements and Annual Reports on Form 10-K, and, if deemed appropriate, recommends to the Board that the audited financial statements be included in the Corporation's Annual Reports on Form 10-K.
- L. reviews and discusses with management the Corporation's significant financial risk exposure and the steps management has taken to monitor and control such exposures.

Internal Controls

- M. reviews and discusses with management and the independent auditor, (a) the adequacy and effectiveness of the Corporation's internal controls, including any significant deficiencies or material weaknesses, and significant changes in internal controls reported to the Committee; (b) the Corporation's internal audit procedures; (c) the adequacy and effectiveness of the

Corporation's disclosures controls and procedures, including management's reports thereon, and (d) management's process for performing its required quarterly certifications under Section 302 of the Sarbanes-Oxley Act.

Other

- N. reviews and approves related party transactions, as defined by relevant NASDAQ requirements.
- O. confirms the existence of procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- P. reviews the Company's codes of conduct and ethics programs, and reviews with management its periodic evaluation of the effectiveness of such programs
- Q. publishes the report of the Committee required by SEC rules to be included in the Corporation's annual proxy statements.
- R. with the Compensation Committee of the Corporation's Board, provides oversight of the Corporation's retirement plans.
- S. reviews annually the adequacy and costs of the Corporation's insurance risk management program.
- T. reviews recommendations of management concerning the Corporation's dividend policy.
- U. when appropriate, designates one or more of its members to perform certain of its duties on its behalf, subject to such reporting to or ratification by the Committee as the Committee directs.
- V. reports Committee actions to the Board with such recommendations as the Committee may deem appropriate.

As necessary, the Committee will engage in a self-assessment and will review and reassess the adequacy of its charter and make any agreed-upon changes. As necessary, the Committee has the authority to engage independent legal, accounting and other advisors, and the authority to approve related fees and terms. The Committee shall meet, including by written consent, as often as circumstances dictate and at such times and places as the Committee determines. As required, the Committee shall conduct executive sessions and meet with management, the Director of Internal Audit and the independent auditor in separate individual sessions to discuss any matters that the Committee or each of these individuals believe should be discussed privately.