

MAC-GRAY CORPORATION

GOVERNANCE and NOMINATING COMMITTEE CHARTER

The Board of Directors of Mac-Gray Corporation (the “Company”) has constituted and established a Governance and Nominating Committee (the “Committee”).

I. General Statement of Purpose

The purpose of the Committee is to review and report to the Company’s Board of Directors (the “Board”) periodically on matters of corporate governance, to identify individuals qualified to become board members and to recommend individuals to the Board for nomination, election, or appointment as members of the Board and its committees. The Committee is also responsible for developing and recommending to the Board a set of corporate governance guidelines applicable to the Company and periodically reviewing such guidelines and recommending any changes thereto.

In addition, the Committee is responsible for providing assistance to the Board on the evaluation of the overall effectiveness of the Board, and taking a leadership role in shaping the corporate governance of the Company, including Board committees and their function.

This Charter is approved by the Board of Directors as of December 11, 2009.

II. Committee Membership

The number of individuals serving on the Committee shall be fixed by the Board from time to time, but shall have no fewer than two members, all of whom shall meet the independence requirements set forth in Section 303A of the New York Stock Exchange Listed Company Manual.

III. Committee Structure

The Board shall appoint the members of the Committee on an annual basis at its first meeting following the Annual Meeting of Shareholders. The Board, taking into account the views of the Chairman of the Board, shall designate a chairman of the Committee. The Board may replace or remove committee members at any time with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Committee. Vacancies occurring on the Committee, for whatever reason, may be filled by the Board.

IV. Meetings

The Committee shall meet in person or by conference telephone as frequently as the Committee deems necessary and appropriate. Each meeting will have on its agenda the provision for an executive session, and the Committee shall meet in executive session, without management, at least once a year. A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Committee may act by unanimous written consent. The Committee may invite to its meetings any director, officer of the Company or such other person as it deems appropriate in order to assist it in performing its responsibilities. The Committee shall have the authority to retain independent consultants or advisors, to be paid by the Company, that are necessary to perform its duties.

V. Duties and Responsibilities of the Committee

The responsibilities of the Committee shall be:

1. Develop a Board that provides management with experienced and seasoned advisors in fields related to current and future business directions of the Company.
2. Identify qualified individuals for Board membership and, after appropriate consideration, make recommendation to the Board regarding all nominees for proposed election (including at each annual meeting of shareholders), whether for shareholder vote, by appointment by the Board to fill interim vacancies, including a vacancy created by an expansion of the size of the Board. In considering possible candidates for board membership, the Committee shall be guided by the following principles:
 - a) each candidate should be an individual of the highest character and integrity, possessing business and financial acumen, demonstrated business ethics, and tenure and breadth of experience in a significant leadership capacity;
 - b) each candidate should provide the desired mix of characteristics, qualifications, and diverse experiences, perspectives, and skills appropriate for a corporation such as the Company;
 - c) each candidate's past or anticipated contributions to the Board and its committees should be clear;
 - d) each candidate should have sufficient time to devote to the affairs of the Company;
 - e) each candidate should represent the interests of the stockholders as a whole.

The Committee will also provide the Board with both an assessment as to whether a candidate would meet the independence requirements set forth in Section 303A of the New York Stock Exchange Listed Company Manual at the time of consideration by the Board and a recommendation as to the class of director in which the nominee should serve.

3. Periodically review and make recommendations as to the structure, size, composition, and operational procedures of the Board and each committee of the Board, including determination of whether Audit Committee members satisfy all requirements imposed by law or regulation, including financial literacy and financial management experience.

4. Review periodically the membership of each committee of the Board and, taking into account the views of the Chairman of the Board, on an annual basis at its first meeting following the Annual Meeting of Shareholders, recommend committee assignments to the Board, including Chair responsibility, rotation, reassignment, or replacement of any committee member, as well as delegated responsibilities to be included in the charter of each Board committee.

Evaluate as it deems appropriate, but at least annually, the standards to be applied by the Board in making determinations as to whether a Director should be deemed an independent Director, and recommend such standards to the Board.

5. Work in conjunction with the Compensation Committee of the Board with regard to the forms and amounts of Director compensation. The Compensation Committee has the responsibility to present any recommendation to the Board. Compensation of individual directors that is outside the standard compensation needs to be reviewed by the Committee.

6. Identify and bring to the attention of the Board current and emerging corporate governance trends and issues that may effect the business operations, performance, or public image of the Company.

7. Develop and recommend to the Board a set of Corporate Governance Guidelines applicable to the Company that meet the requirements of Subsection 9 of Section 303A of the New York Stock Exchange Listed Company Manual. Review and reassess the adequacy of the Corporate Governance Guidelines annually and recommend any proposed changes to the Board for approval.

8. Review and monitor Board compliance in areas of corporate governance, and report and make recommendations to the Board with respect to such practices.

9. Assure that the Company is communicating with management, employees, investors and others, as appropriate, relative to corporate governance matters.

10. Report annually to the Board with an evaluation of the performance and effectiveness of the Board and its committees, and oversight of the evaluation of the Company's management for the prior fiscal year.

11. The Committee shall report regularly to the Board summarizing the Committee's actions and any significant issues considered by the Committee or issues for consideration by the Board.

12. Exercise sole authority to retain and terminate any search firm that is to be used by the Company to assist in identifying director candidates. The Committee shall also have sole authority to approve any such search firm's fees and other retention terms.

VI. Performance Evaluation of the Committee

The Committee shall produce and provide to the Board an annual performance review of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter.

The Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

VII. Securityholder Recommendations for Director Candidates

Establish a policy with regard to the consideration of director candidates recommended by securityholders. The current policy is that the Committee will review and consider any director candidates recommended by securityholders in compliance with the procedures established from time to time by the Committee and set forth in this Charter.

Establish procedures to be followed by securityholders in submitting recommendations for director candidates to the Committee. The current procedures to be followed by securityholders are set forth below:

- a) All securityholder recommendations for director candidates must be submitted to the Secretary of the Company at Mac-Gray Corporation, 404 Wyman Street, Suite 400, Waltham, MA 02451, who will forward all recommendations to the Committee.
- b) All securityholder recommendations for director candidates must be submitted to the Company not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's Annual Meeting.
- c) All securityholder recommendations for director candidates must include the following information:

The name and address of record of the securityholder, and the names and addresses of any other securityholder proposing such candidate (if any).

A representation that the securityholder and any other proposing person are record holders of the Company's securities, or if the securityholder and proposing persons are not record holders, evidence of ownership in accordance with Rule 14a-8(b)(2) of the Securities Exchange Act of 1934.

The name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five (5) full fiscal years of the proposed director candidate.

A description of the qualifications and background of the proposed director candidate which addresses the minimum qualifications and other criteria for Board membership approved by the Board from time to time.

A description of all agreements, arrangements or understandings between the securityholder and the proposed director candidate.

The written consent of the proposed director candidate (i) to be named in the proxy statement relating to the Company's annual meeting of stockholders and (ii) to serve as a director if elected at such annual meeting.

Any other information regarding the proposed director candidate that is required to be included in a proxy statement filed pursuant to the rules of the Securities and Exchange Commission.

- d) All securityholder recommendations for director candidates must comply with the procedures and information required pursuant to the Company's Bylaws.

Establish a process for identifying and evaluating nominees for the Board, including nominees recommended by securityholders. The current process for identifying and evaluating nominees for the Board is as follows:

- a) The Committee may solicit recommendations from any or all of the following sources: non-management directors, the Chief Executive Officer, other executive officers, third-party search firms, or any other source it deems appropriate.
- b) The Committee will review and evaluate the qualifications of any such proposed director candidate, and conduct inquiries it deems appropriate.
- c) The Committee will evaluate all such proposed director candidates in the same manner, with no regard to the source of the initial recommendation of such proposed director candidate.
- d) In identifying and evaluating proposed director candidates, the Committee may consider, in addition to the minimum qualifications and other criteria for Board membership approved by the Board from time to time, all facts and circumstances

that it deems appropriate or advisable, including, among other things, the skills, ability and judgment of the proposed director candidate, his or her character and personal and professional integrity, his or her depth and breadth of business experience or other background characteristics, his or her independence and the needs of the Board.

Upon identifying individuals qualified to become members of the Board, consistent with the minimum qualifications and other criteria approved by the Board from time to time, recommend that the Board select the director nominees for election at each annual meeting of stockholders.