

MAC-GRAY CORPORATION

Audit Committee Charter

General Statement of Purpose

This revised Audit Committee Charter amends and restates the Audit Committee Charter approved by the Board of Directors on December 4, 2002.

The Audit Committee is appointed by the Board of Directors of Mac-Gray Corporation (the "Company") to assist the Board of Directors (the "Board") in general oversight and monitoring of management's and the independent auditor's participation in the Company's financial reporting process, the Company's procedures for compliance with legal and regulatory requirements, and the performance of the Company's internal audit function. The primary objective of the Audit Committee in fulfilling these responsibilities is to promote and preserve the integrity of the Company's financial statements and the independence, qualifications and performance of the Company's internal audit function and external independent auditor.

This Charter revision is approved by the Board of Directors as of April 16, 2010.

Audit Committee Membership

The Audit Committee shall consist of no fewer than three members who shall be appointed annually by the Board and shall satisfy the qualification requirements set forth by the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations of the Commission. At least one member of the Audit Committee shall be an "audit committee financial expert" as defined by the Commission. Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies.

The members of the Audit Committee shall be appointed by and may be replaced by the Board of Directors.

Meetings

The Audit Committee shall meet as often as it determines, but no less frequently than quarterly. The Audit Committee shall meet periodically with management, the internal auditor and the independent auditor in separate executive sessions. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Audit Committee Authority and Responsibilities

The Audit Committee shall be directly responsible for the appointment, retention and termination, and for determining the compensation, of the Company's independent auditor engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company. The Audit Committee shall be directly responsible for the oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting and other matters) engaged for the purpose of preparing or issuing an audit report or related work. The Committee shall instruct the independent auditor to report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting, or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for Approval. The Audit Committee shall annually review the Audit Committee's own performance and report the results of such evaluation to the Board of Directors.

Financial Statement and Disclosure Matters

The Audit Committee, to the extent it deems necessary or appropriate, shall:

Review and discuss with management and the independent auditor the annual audited financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Conditions and Results of Operations", prior to the filing of the Company's Form 10-K, and make recommendations to the Board as to whether the presented audited financial statements should be included in the Company's Form 10-K.

Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditor's reviews of the quarterly financial statements and the Company's specific disclosures under "Management's Discussion and Analysis of Financial Conditions and Results of Operations".

Review and discuss with management and the independent auditor significant financial

reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative GAAP methods on the financial statements, major issues regarding accounting principles and procedures and financial statement presentation (including any significant changes in the Company's selection or application of accounting principles), any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

Review and discuss quarterly reports from the independent auditors on:

- a) All critical accounting policies and practices to be used.
- b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
- c) Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies, including, in general the types of information to be disclosed and the types of presentations to be made.

Review and discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

Review and discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Oversight of the Company's Relationship with the Independent Auditor

The Audit Committee, to the extent it deems necessary or appropriate, shall:

Review and evaluate the lead partner of the independent auditor team.

Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or PCAOB review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non- audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and internal auditors. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.

The Committee shall request that the independent auditor provide the Committee with the written disclosures and the letter required by Public Company Accounting Oversight Board Rule 3526, as modified or supplemented, require that the independent auditor submit to the Committee at least annually a formal written statement delineating all relationships between the independent auditor and the Company, discuss with the independent auditor any disclosed relationships or services that may impact the objectivity and independence of the independent auditor, and based on such disclosures, statement and discussion take or recommend that the Board take appropriate action in response to the independent auditor's report to satisfy itself of the independent auditor's independence.

Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. In order to assure continuing auditor independence, review the independent auditing firm on a regular basis to determine if rotation of auditors is appropriate.

Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.

Discuss with the national office of the independent auditor issues on which they were consulted by the Company's audit team and matters of audit quality and consistency, as deemed appropriate by the committee or the independent auditors.

Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

Seek the opinion of management and the internal auditors of the independent auditors' performance.

Oversight of the Company's Internal Audit Function

The Audit Committee, to the extent it deems necessary or appropriate, shall:

Review the adequacy of the internal audit function, its annual budget, scope of work to be

performed, and who will perform audit work.

Review the significant reports to management prepared by the internal auditing department.

Discuss with the independent auditor and management the internal audit department responsibilities, budget and staffing, and any recommended changes in the planned scope of the internal audit.

Compliance Oversight Responsibilities

The Audit Committee, to the extent it deems necessary or appropriate, shall:

Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.

The Audit Committee shall discuss with management, the Company's senior internal auditing executive and the independent auditor that the Company is in conformity with applicable legal requirements and the Company's Code of Business Conduct. Review reports and disclosures of insider and affiliated party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct.

The Committee shall regularly report to and review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditors, the performance of the internal audit function and any other matters that the Committee deems appropriate or is requested to review for the benefit of the Board.

Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Discuss with management the legal and regulatory requirements applicable to the Company and the Company's compliance with such requirements.

Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.

Prepare the Audit Committee report required by Item 407(d) of Regulation S-K of the Exchange act to be included in the Company's annual proxy statement.

Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in

accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor. In addition, it is not the duty of the committee to conduct investigations or to ensure compliance by the Company with laws and regulations.