

KRISPY KREME DOUGHNUTS, INC.
AUDIT COMMITTEE CHARTER
As of September 14, 2009

Purpose

The Audit Committee of Krispy Kreme Doughnuts, Inc. (the “Company”) is established by the Board of Directors (the “Board”) for the following purposes:

- Assist Board monitoring of:
 - the integrity of the Company’s financial statements;
 - the Company’s compliance with legal and regulatory requirements;
 - the qualifications and independence of the Company’s independent auditors; and
 - the performance of the Company’s internal audit function and independent auditors.
- Monitor the integrity of the Company’s financial reporting process and systems of internal controls regarding finance, accounting and legal compliance.
- Appoint, determine the compensation of and oversee the work of the Company’s independent auditors. The Company’s independent auditors shall report directly to the Audit Committee.
- Provide an avenue of communication among the Company’s independent auditors, management, the internal audit department and the Board.
- Prepare a report of the Audit Committee as required by the Securities and Exchange Commission to be included in the Company’s annual proxy statement.

Membership Requirements and Procedure

The Audit Committee shall be comprised of three (3) or more directors as determined by the Board. Audit Committee members will be appointed by the Board in accordance with the Bylaws and Corporate Governance Guidelines of the Company, based on the recommendation of the Governance Committee, and will serve at the pleasure of the Board for such term or terms as the Board may determine or until their earlier resignation, death or removal by the Board. The Board shall designate the Chairperson of the Audit Committee based on the recommendation of the Governance Committee. Each member of the Audit Committee shall satisfy the independence, financial literacy and other applicable governance rules, regulations or standards adopted by the Securities and Exchange Commission and the New York Stock Exchange. Additionally, at least one member of the Audit Committee must be an “audit committee financial expert” as such term is defined in the rules and regulations of the Securities and Exchange Commission. Audit Committee members shall not simultaneously serve on the audit committees

of more than two (2) other public companies. Except as expressly provided in this Charter, the Bylaws or the Corporate Governance Guidelines of the Company, the Audit Committee shall fix its own rules of procedure.

Structure and Meetings

The Audit Committee shall meet at least four (4) times annually, or more frequently as circumstances dictate as determined by the Chairperson. Special meetings may be convened by the Chair as deemed necessary or desirable. The Chairperson of the Audit Committee will preside at each meeting of the Audit Committee. The Audit Committee Chairperson shall prepare and/or approve an agenda in advance of each meeting. The Audit Committee shall periodically meet separately in executive session, but not less than once per year, with management (including the Company's Chief Executive Officer and Chief Financial Officer), the Company's independent auditors, the Company's internal auditors (or other personnel responsible for the internal audit function) and the Company's General Counsel. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or meet with any member of, or consultants to, the Committee. In addition, the Audit Committee, or at least its Chairperson, shall communicate with management and the independent auditors quarterly to review the Company's financial statements and significant findings based upon the independent auditors' review procedures.

The Audit Committee will record and maintain minutes of its meetings. The Chairperson of the Audit Committee or an Audit Committee member designated by the Chairperson will regularly make a report to the Board of (i) the Audit Committee's meetings, (ii) actions taken at meetings or by consent and recommendations made since the most recent Board meeting, and (iii) 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 Company's independent auditors and the performance of the Company's internal audit function, in each case except to the extent such matter or matters have been addressed in an interim report circulated to the Board by the Audit Committee.

Audit Committee Authorities and Responsibilities

The Audit Committee shall have the authority and responsibilities listed below. In addition, the Audit Committee, in its capacity as a committee of the Board, shall be directly responsible for the appointment, compensation and oversight of the work of the Company's independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

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

Financial Statement and Disclosure Matters

1. Review and reassess the adequacy of this Charter at least annually, with any revisions submitted to the Board for approval. This Charter shall be made available on the Company's website, and otherwise published in accordance with

the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange.

2. Review and discuss with management and the Company's independent auditors the Company's annual audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to filing or distribution.
3. Review and discuss with management and the Company's independent auditors the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of its independent auditors' review of the quarterly financial statements.
4. Discuss any significant changes to the Company's accounting principles and any items required to be communicated by its independent auditors in accordance with Statement on Auditing Standards No. 61.
5. Review and discuss the Company's earnings press releases prior to the release of the 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.
6. Review and discuss its report from the Company's independent auditors prior to the filing of the Company's Form 10-K and prior to any other filing of an audit report with the Securities and Exchange Commission on:
 - All critical accounting policies and practices used by the Company;
 - All alternative treatments of financial information within GAAP for policies and practices related to material items that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and
 - Other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
7. Review major issues regarding accounting principles and financial statement presentations, including:
 - any significant changes in the Company's selection or application of accounting principles;
 - major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, together with the adequacy of disclosures about changes in internal control over financial reporting;

- analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and
 - the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
8. Review disclosures made to the Audit Committee by the Company's Chief Executive Officer and Chief Financial Officer 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.

Independent Auditors

1. Annually appoint the Company's independent auditors or approve any discharge of the auditors when circumstances warrant. Approve the fees and other compensation to be paid to the independent auditors.
2. Prior to engaging an independent auditor to perform an audit of the Company's financial statements and internal control over financial reporting: (i) obtain from the independent auditor a formal written statement delineating all relationships between it and the Company, consistent with Independence Standards Board Standard No. 1 or such other standard as may be promulgated by the Public Company Accounting Oversight Board; (ii) actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact its objectivity and independence; and (iii) take, or recommend that the Board take, appropriate action to ensure the independence of the independent auditor.
3. Set clear hiring policies for hiring of employees or former employees of the independent auditors.
4. Review the independent auditors' audit plan, including a discussion of scope, staffing, locations, reliance upon management, involvement of the internal auditors (or other personnel responsible for the internal audit function) and general audit approach.
5. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, including the quality and acceptability of the accounting principles applied in the financial statements and changes in accounting policies, and any other matters required to be discussed with the independent auditor under generally accepted auditing standards.

6. Pre-approve (either expressly or in accordance with a pre-approval policy established by the Audit Committee) all engagements for audit and non-audit services to be provided by the Company's independent auditors, subject to the de minimus exception for non-audit services as may be permitted under the Securities Exchange Act of 1934 and the rules and regulations thereunder.
7. At least annually, obtain and review a report by the independent auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer 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, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the independent auditors and the Company.
8. Taking into account the foregoing report and the independent auditors' work throughout the year, evaluate:
 - the independent auditors' qualifications, performance and independence, including considering whether the independent auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors' independence, taking into account the opinions of management and internal auditors; and
 - the review and evaluation of the lead partner of the independent auditors taking into account the opinions of management and the Company's internal auditors (or other personnel responsible for the internal audit function).

The Audit Committee shall present its conclusions with respect to the independent auditors to the Board.

9. Ensure the rotation of audit partners in accordance with applicable law.
10. Consider whether, in order to assure continuing auditors independence, there should be regular rotation of the independent auditors.
11. Discuss at least annually with the independent auditor, management and the head of the Company's internal audit function, if any, the Company's exposure to material risks, the manner in which management assess, monitors and manages its exposure, the adequacy of the Company's risk management activities and the nature of any unusual transactions;
12. Regularly review with the independent auditors any problems or difficulties encountered in the course of the audit work and management's response, including any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with

management, as well as any accounting adjustments that were noted or proposed by the independent auditors but were “passed” (as immaterial or otherwise); any communications with the independent auditors’ national office respecting auditing or accounting issues presented by the engagement; and any “management” or “internal control” letter issued, or proposed to be issued, by the Company’s independent auditors. In connection with this review, discuss with the independent auditors the responsibilities, budget and staffing of the Company’s internal audit function.

Internal Audit Department and Legal Compliance

1. Review the appointment and replacement of the senior internal audit executive.
2. On at least an annual basis, review the activities and organizational structure of the internal audit department. Also, review the significant reports of the internal audit department along with management’s responses to these reports.
3. On at least an annual basis, review with the Company’s General Counsel any legal matters that could have a significant impact on the Company’s financial statements, the Company’s compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

Other Audit Committee Responsibilities

1. In consultation with the Company’s management, independent auditors and internal audit department, consider the integrity of the Company’s financial reporting processes and controls. Review significant findings prepared by the independent auditors and the internal audit department together with management’s responses.
2. Oversee a procedure 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 the Company of concerns regarding questionable accounting or auditing matters.
3. Annually prepare a report to shareholders as required by the Securities and Exchange Commission to be included in the Company’s annual proxy statement.
4. Annually perform a self-assessment of Audit Committee performance.
5. Annually review policies and procedures associated with directors’ and officers’ expense accounts and perquisites. Annually review a summary of directors’ and officers’ and principal shareholders’ related party transactions and potential conflicts of interest.
6. Review the background and experience qualifications of any person hired in a senior management role within the Company’s accounting/finance function. It is

not necessary for this review to be conducted prior to the hiring of any such individual.

7. Recommend to the Board whether the Company's annual audited financial statements should be included in the Company's Form 10-K based on the Audit Committee's:
 - Review with management of the Company's annual audited financial statements, including major issues regarding accounting and auditing principles and practices, as well as the adequacy of internal controls that could significantly affect the Company's financial statements;
 - Discussion with the independent auditors of the matters required to be discussed by Statement of Auditing Standards No. 61 relating to the conduct of the audit; and
 - Review and discussion with the independent auditors of the written disclosures required by Independence Standards Board Standard No. 1 and the independent auditors' independence.
8. Review financial and accounting personnel succession planning within the Company.
9. Obtain from the independent auditors assurance that Section 10A(b) of the Securities Exchange Act of 1934 has not been implicated.
10. Review at least annually management's monitoring of compliance with the Company's Code of Conduct and Business Ethics.
11. Perform any other activities consistent with this Charter, the Company's Bylaws and governing law, as the Audit Committee deems necessary or appropriate.

Delegation

The Audit Committee may delegate to one or more members of the Audit Committee the authority to grant pre-approvals of engagements related to audit services and non-audit services permitted under the Securities Exchange Act of 1934, provided that decisions to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting and subject to the disclosure provisions under applicable laws. In addition, the Audit Committee may, in its discretion, delegate all or a portion of its authority and responsibilities to a subcommittee of the Audit Committee when appropriate.

Limitation of 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. This is the responsibility of management and the independent auditors.

Resources and Authority

The Audit Committee has the right to utilize the Company's accounting personnel, internal audit personnel, and other internal staff and legal counsel and also has the right to retain at the Company's expense independent accounting experts, lawyers and other consultants as it deems necessary to carry out its responsibilities. The Audit Committee will endeavor to keep the Company's Chief Financial Officer advised as to the general range of anticipated expenses for outside advisers and consultants.

The Audit Committee has the full authority to investigate any matter brought to its attention appropriate to fulfilling its responsibilities with full access to the independent auditors and books, records, and facilities of the Company. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditors for the purpose of rendering or issuing an audit report and to any advisers employed by the Audit Committee, subject only to any limitations imposed by applicable rules and regulations.

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