

KRISPY KREME DOUGHNUTS, INC.
EQUITY RETENTION POLICY
Effective April 7, 2009

The Board of Directors of Krispy Kreme Doughnuts, Inc. (the “Company”) believes it is important that executive officers and directors of a publicly traded company have long-term financial interests that are aligned with those of its shareholders. The Board of Directors desires for the Company to maintain and enhance its culture of executives and directors focused on Company-wide returns and sustainable growth. To further these goals and to set an example to employees throughout the Company, the Board of Directors has adopted the Krispy Kreme Doughnuts, Inc. Equity Retention Policy (the “Policy”) effective as of April 7, 2009 (the “Effective Date”). This Policy is independent of the Company’s Stock Ownership Guidelines; executive officers and directors are expected to comply with this Policy and the Stock Ownership Guidelines.

The terms of the Policy are as follows:

1. It applies to all executive officers of the Company (as determined from time to time by the Board of Directors) and all members of the Board of Directors. It will be administered by the Compensation Committee of the Board of Directors (the “Committee”), unless the Board of Directors determines to administer the Policy itself (the Committee or Board of Directors, as applicable, in its role administering the Policy is the “Administrator”). The Administrator may delegate ministerial administrative duties to one or more officers or employees of the Company.
2. Each executive officer of the Company is required to retain direct ownership of at least 50% of his or her “Covered Shares” (as defined below), net of taxes and transaction costs, until the earlier of (a) the date that the sum of (x) such executive officer’s years of service to the Company and (y) such executive officer’s age is equal to 65 years (the “Retirement Eligibility Date”), or (b) the date of such executive officer’s termination of employment with the Company. After the executive officer’s Retirement Eligibility Date and until the termination of such executive officer’s employment with the Company, such executive officer will be required to retain ownership of at least 25% of any Covered Shares he or she acquires through the Company’s equity compensation plans, net of taxes and transaction costs. The Policy does not impose a retention requirement on executive officers after the termination of their employment with the Company.
3. Each director of the Company is required to retain direct ownership of at least 75% of his or her Covered Shares, net of taxes and transaction costs, until the termination of the director’s services to the Company.
4. For purposes of this Policy:
 - (a) “Covered Shares” means any shares acquired by an executive officer or director (as applicable) pursuant to an award granted after the Effective Date under any

Company equity compensation plan or other written compensatory arrangements;
and

- (b) “taxes and transaction costs” include, without limitation: (i) shares retained by the Company to satisfy tax withholding requirements attributable to awards, (ii) any taxes payable by the executive officer or director related to awards which are in excess of the amounts withheld in accordance with clause (i), (iii) shares tendered by the executive officer or director to pay all or any portion of the exercise price of option grants or other costs of ownership, and (iv) in the event all or a portion of the tax withholding requirements or the exercise price of option grants or other costs of ownership are satisfied by the executive officer or director remitting cash to the Company or by the Company withholding amounts from such executive officer’s or director’s compensation or payments otherwise due, the number of shares having a fair market value (determined on the date such cash is remitted or withheld and in the manner used to determine “Fair Market Value” under the Company’s 2000 Stock Incentive Plan, as amended) equal to the amount so remitted or withheld.
5. Notwithstanding anything to the contrary in the Policy, each executive officer and director, while subject to the Policy, may donate Covered Shares to any public charity or to non-profit foundations established by such person (or his or her family), and charities and foundations may sell or otherwise dispose of such shares. In addition, each executive officer and director, while subject to the Policy, may transfer up to 15% of Covered Shares for estate planning purposes to trusts, partnerships, limited liability companies or other entities established for the benefit of such person or his or her spouse, parent, sibling or lineal descendant; provided, that (a) the executive officer or director making such transfer shall remain a beneficial owner of such Covered Shares, and (b) the transferee shall not subsequently transfer such Covered Shares other than a transfer back to the executive officer or director.
 6. Executive officers and directors are prohibited from entering into puts, calls or other derivative positions with respect to shares of the Company’s common stock.
 7. The Administrator may grant exceptions to the Policy for reasons of a person’s economic hardship or other showing of good cause determined in the sole discretion of the Administrator.
 8. To the extent that any executive officer or director of the Company fails to comply with the minimum retention guidelines set forth in the Policy, the Administrator shall take such action as it in its sole discretion determines to be appropriate. Without limiting the foregoing, if the Administrator so determines, such executive officer or director not in compliance with the Policy shall not be eligible for any future equity-based compensation awards for such period of time as the Administrator determines.
 9. At the end of each calendar year, all executive officers and directors will be provided with a certification form to verify that they have maintained compliance with the Policy.

In addition, the Administrator may determine that any equity award agreement, employment agreement or similar agreements entered into or amended after the Effective Date shall require the applicable executive officer or director to contractually agree to abide by the terms of the Policy.

If you have any questions concerning the Policy, please call Ken Hudson, Senior Vice President-Human Resources and Organizational Development at 726-8992.

**KRISPY KREME DOUGHNUTS, INC.
EQUITY RETENTION POLICY**

I acknowledge receipt of the Krispy Kreme Doughnuts, Inc. Equity Retention Policy and agree to abide by the terms and conditions thereof.

Signature

Printed Name

Date