

LUBY’S, INC.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

SCOPE AND PURPOSE:

The Nominating and Corporate Governance Committee (the “committee”) of the Board of Directors (the “board”) of Luby’s, Inc. (the “company”) is formed by the board to maintain oversight of the development, structure, performance and evaluation of the board; to seek and recommend well qualified candidates to fill vacancies on the board; to recommend appropriate board action on renewal of terms of service for incumbent members as their terms near completion; to maintain oversight of the evaluation of management; and to develop and periodically review the company’s Corporate Governance Guidelines, Policy Guide on Standards of Conduct and Ethics and Supplemental Standards of Conduct and Ethics.

FUNCTIONS:

The duties and responsibilities of the committee include but are not limited to the following:

Board Structure, Training, and Evaluation

1. Ensure that appropriate orientation, training, and continued development are conducted and made available to board members.
2. Periodically review the structure and responsibilities of the board, its committee structure, and the board operating procedures in light of developing best practices of corporate governance and applicable laws and regulations.
3. Establish and implement an evaluation process to determine the effectiveness of the structure, procedures, and performance of the board and committees of the board.
4. Prior to the expected retirement date of the chair of the board, identify, and propose for board approval, a prospective successor to that position. If such person is not a member of the committee, but satisfies the requirements for membership stated in this charter, then he or she shall thereafter attend meetings of the committee in a non-voting capacity until becoming chair.
5. Develop recommendations for board action on board committee assignments and nominations for chairs and vice-chairs of committees as necessary.

Board Nominations

1. Recommend for approval by the board minimum qualifications, selection criteria, and expectations of performance for members of the board.

2. Ensure that the board composition is broadly representative, in so far as is practical and reasonable. While recognizing the desirability of representative demographic composition, the committee must ensure the competence of the board to meet its fiduciary responsibility to the shareholders; qualifications necessary to assure such competence must take precedence over other considerations. The committee shall consult with the chairman of the board and the chief executive officer to identify skills and characteristics needed by prospective board candidates in the context of the current board makeup and the perceived needs of the company at that point in time.
3. Annually review tenure and terms of active board members, and develop recommendations for board action to fill impending vacancies.
4. Recruit and screen individuals who possess the qualifications necessary to execute the responsibilities of a company board member. Identify and recommend to the board individuals qualified to become members of the board, consistent with criteria approved by the board. This shall include the responsibility for reviewing board candidates proposed by shareholders of the company. Review of potential candidates shall include review of the person's judgment, experience, independence, understanding the company's business, and other relevant factors in light of the needs of the board and the company. At the time of recommending director nominees to the board, the committee shall inform the board of the criteria used in making its recommendations.
5. Evaluate and recommend for reelection, as appropriate, those existing directors whose past performance is satisfactory.
6. As part of its process of recommending director nominees to the board, maintain a board consisting of a majority of directors who are "independent" under the applicable provisions of the New York Stock Exchange listing standards. The committee shall also take into account the needs of the Finance and Audit Committee to have independent directors with financial literacy and at least one member who has accounting or related financial management expertise and who meets the definition of an "audit committee financial expert" under the rules of the Securities and Exchange Commission.
7. The performance of individual board members is a matter of consideration each time a board member is up for renomination. The committee will take under consideration and recommend appropriate action should any board member communicate to the committee that another director has acted inappropriately or not performed adequately.
8. Consider, in consultation with the chairman of the board and the chief executive officer, the appropriateness of continued board service by active nonmanagement board members whenever there is a significant change in their professional roles and responsibilities prior to their nomination for reelection.
9. Develop procedures by which shareholders may submit director candidates for consideration by the committee and the board.

Board Performance

1. Decide issues with respect to independence or conflicts of interests involving members of the board.
2. Take under consideration for action, as appropriate, any concern expressed by a board member regarding the performance of the board or any of its members.
3. Coordinate with the chairman of the board and the chief executive officer an annual review with all board members on their perceptions of the performance and effectiveness of the board and solicit suggestions for improving board performance. Oversee the implementation of corrective measures. Report survey results and recommend action the committee deems appropriate to the full board.

Management Performance

Oversee the annual evaluation of management performance.

Corporate Governance

1. Periodically review the company's Corporate Governance Guidelines and recommend to the board such changes as may be determined appropriate so as to reflect the responsibilities of the board and the manner in which the company should be governed in compliance with best practices and applicable laws and regulations.
2. Regularly review issues and developments relating to corporate governance.
3. Periodically review the company's Policy Guide on Standards of Conduct and Ethics, Supplemental Standards of Conduct and Ethics, conflict of interest policies, insider trading policies, and business ethics policies and recommend to the board such changes as may be determined appropriate.
4. Consider proposed waivers of the company's Policy Guide on Standards of Conduct and Ethics and Supplemental Standards of Conduct and Ethics and, either as a committee or together with the other independent directors (as directed by the board), determine and approve appropriate action.

Nominating and Corporate Governance Committee Performance

1. At least annually, conduct a self-assessment of committee performance.
2. Monitor and guide the development and implementation of an appropriate orientation and training program for committee members.
3. As necessary, recommend to the board investigations into any matters under the committee's cognizance.

DURATION:

The committee shall continue in existence on a permanent basis until dissolved by the board.

MEMBERSHIP:

1. Committee membership shall consist of no more than five members, each of which shall be affirmatively determined by the board to be “independent” under the applicable provisions of the New York Stock Exchange listing standards. To the extent that each of the following directors satisfies the applicable independence requirements, the members of the committee shall be: the chair of the company’s board, the vice chair of the company’s board and the chairs of the Personnel and Administrative Policy Committee, the Executive Compensation Committee, and the Finance and Audit Committee.
2. The members of the committee shall be appointed annually, and vacancies filled or members removed by the vote of a majority of the full board. Committee members may resign by giving written notice to the board. A committee member may resign committee membership without resigning from the board, but a member shall cease automatically to be a member of the committee upon either ceasing to be a member of the board or ceasing to satisfy the requirements for membership stated above.
3. Three members of the committee shall constitute a quorum for the transaction of business.

CHAIR:

The chair of this committee shall be the chair of the board. In the event the chair is a member of management, the board shall elect the chair of this committee from among its nonmanagement membership. The vice chair shall be appointed by the Nominating and Corporate Governance Committee subject to approval by the board. If the chair of this committee is unable to attend a committee meeting, the vice chair shall act as chair of the committee.

COMMITTEE OPERATIONS:**Meetings**

1. The committee shall meet at such times and shall conduct such business as is necessary to execute the responsibilities outlined above.
2. Agendas and advance materials will be provided to committee members at least one week in advance of regularly scheduled meetings. Special meetings may be held as called by the committee chair.
3. Meetings are to be attended only by the members of the committee; additional attendees will be: the corporate secretary to the board who will serve as recorder; attendance by others may be necessary from time to time upon invitation by the committee chair.

4. The Vice President-Shareholder Relations and Board Administration of the company will be the point of contact and provide administrative support to the committee.

Minutes and Reports

The corporate secretary will record the proceedings of the committee's meetings. The records of the committee meetings shall be confidential and retained as directed by the board chair for a period of at least ten years.

Reporting to the Board

The committee shall report to the board the results of its meetings and any action taken by the committee.

Delegation

Except as prohibited by law or the certificate of incorporation or bylaws of the company, the committee may delegate its responsibilities to a subcommittee consisting of one or more of its members.

Resources

The committee shall have the sole authority, in its discretion, to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms. In addition, in carrying out its responsibilities, the committee may retain independent consultants, counsel, and other advisors, provided that approval of the full board shall be required for the expenditure of \$5,000 or more in any twelve-month period for fees paid to such advisors, except that the committee shall have the sole authority to determine the fees and other retention terms for search firms.

EFFECTIVE DATE:

This charter was reviewed by the committee and approved by the board on February 26, 2004, in order to govern the subsequent operation of the committee.

Note: While the committee has the responsibilities and powers set forth in this charter, it is the duty of management rather than the committee to ensure compliance with laws and regulations and the company's Policy Guide on Standards of Conduct and Ethics, the Supplemental Standards of Conduct and Ethics, conflict of interest policies, insider trading policies and business ethics policies.