

LUBY’S, INC.
EXECUTIVE COMPENSATION COMMITTEE CHARTER

SCOPE AND PURPOSE:

The Executive Compensation Committee (the “committee”) of the Board of Directors (the “board”) of Luby’s, Inc. (the “company”) is formed by the board to discharge the board’s responsibilities relating to compensation of the company’s chief executive officer, its other senior executives and its board of directors, to communicate to shareholders the company’s senior executive compensation policies and the reasoning behind such policies, and to fully report the committee’s actions and findings to the board. The term “senior executive,” as used herein, means Section 16 officers, as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934.

FUNCTIONS:

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

Compensation

1. Review and approve the company’s goals and objectives relevant to the compensation of the chief executive officer, evaluate the chief executive officer’s performance in light of those goals and objectives and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the chief executive officer’s compensation level based upon this evaluation.
2. In determining and approving the long-term component of the chief executive officer’s compensation, consider the company’s performance and relative shareholder returns, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the company’s chief executive officer in past years.
3. Recommend to the board compensation of non-CEO senior executives, incentive-compensation plans and equity-based plans.
4. Review and advise with respect to senior executive compensation policies such as salary ranges, deferred compensation, incentive programs, and equity plans.
5. Review and advise with respect to senior executive benefit policy.
6. Review and advise with respect to base salaries, salary increases, and other remuneration for senior executives.
7. Report to the board on the bases for the compensation for the chief executive officer, the chief operating officer and the five most highly compensated executive officers of the company (as determined under applicable rules of the Securities and Exchange Commission) and compensation policies applicable to the compensation of senior executives.

8. Advise the board whether the committee believes, in its judgment, that the company's senior executive compensation arrangements are reasonable and appropriate, meet their stated purpose (which among other things, includes rewarding and creating incentives for high levels of individual and company performance) and effectively serve the interests of the company and its shareholders.
9. Review from time to time and approve the company's stated senior executive compensation strategy to ensure that senior executives are rewarded appropriately for their contributions to company growth and profitability and that the strategy supports organization objectives and shareholder interests.
10. Review annually the compensation and benefits offered nonemployee directors, and recommend changes to the full board of directors as appropriate, taking into consideration compensation paid to nonemployee directors of comparable companies and the specific duties of each director.
11. If appropriate, engage experts in the field of executive and board compensation to assist the committee with its reviews.
12. Be knowledgeable and current in compensation issues by reviewing current publications, surveys or other pertinent data dealing with corporate directors and senior executive compensation.
13. At least annually, review and report to the board on incentive compensation targets and incentive compensation payout amounts for senior executives.
14. Review and approve grants of stock options and restricted stock proposed to be made to senior executives.

Regulatory Issues

1. Prepare a compensation committee report on senior executive compensation as required by the Securities and Exchange Commission to be included in the company's annual proxy statement or annual report, and prepare and approve all other public statements on compensation matters which are required by the Securities and Exchange Commission, other government bodies, and the New York Stock Exchange.
2. Approve, subject, where appropriate, to submission to shareholders, all new equity-related incentive plans for senior executives.

Administration of Plans

Serve as the committee administering the company's stock option, ownership, and other equity based employee compensation plans (the "Plans"), including (without limitation) such activities as:

- a. participating in the establishment of option guidelines and the general size of overall grants,
- b. making grants,

- c. interpreting the Plans,
- d. determining rules and regulations relating to the Plans,
- e. modifying existing or canceling existing grants and substituting new ones (with the consent of the grantees), and
- f. approving any exceptions to receive retiree treatment.

Miscellaneous

Such other duties and responsibilities as may be assigned to the committee, from time to time, by the board and/or the chairman of the board, or as designated in Plan documents.

Compensation 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:

Committee membership shall consist of at least four members, all of which shall be affirmatively determined by the board to be "independent" under the applicable provisions of the listing standards of the New York Stock Exchange. Three (3) members of the committee shall constitute a quorum for the transaction of business.

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 membership requirements stated above.

CHAIR:

The chair and vice chair of this committee shall be appointed by the Nominating and Corporate Governance Committee of the board subject to approval of 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

The committee shall meet at such times and shall conduct such business as is necessary to execute the responsibilities outlined above.

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.

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 and advisor; attendance by others may be necessary from time to time upon invitation by the committee chair.

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 a consulting firm to assist in the evaluation of director, chief executive officer, or other senior executive compensation and shall have sole authority to approve the consulting firm's fees and other retention terms. In addition, in carrying out its responsibilities, the committee may retain other independent consultants, counsel, and 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 any consulting firm engaged to assist in the evaluation of director, chief executive officer, or other senior executive compensation.

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 develop, implement, and assure that the company complies with senior executive compensation policies. Further, management has responsibility for the collection and development of such data and presentations as are necessary for the committee to exercise the responsibilities set forth in this charter and properly guide policy development and monitor implementation. Management must assure compliance with laws and regulations and the company's Policy Guide on Standards of Conduct and Ethics and the Supplemental Standards of Conduct and Ethics.