

LUBYS INC
Form DEFC14A
December 21, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material under Rule 14a-12

Luby's Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4)

Date Filed:

Luby's, Inc.
13111 Northwest Freeway
Suite 600
Houston, Texas 77040
713-329-6800
www.lubysinc.com

December 21, 2018

Dear Fellow Shareholder:

It is my pleasure to invite you to attend the Annual Meeting of Shareholders of Luby's, Inc. to be held on January 25, 2019, at 10 a.m., Houston time, at 13111 Northwest Freeway, Suite 300, Houston, Texas 77040 (the "Annual Meeting"). All record holders of outstanding shares of common stock of Luby's, Inc. (the "Company") at the close of business on December 5, 2018 are eligible to vote on matters brought before the Annual Meeting.

The Annual Meeting will be held for the following purposes:

- (1) Elect nine directors to serve until the 2020 Annual Meeting of Shareholders of the Company;
- (2) Ratify the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for the fiscal year ending August 28, 2019;
- (3) Conduct an advisory vote approving the compensation of the Company's Named Executive Officers;
- (4) Approve an amendment to the Company's Amended and Restated Certificate of Incorporation to eliminate the supermajority voting requirement for shareholders to remove directors; and
- (5) Act upon such other matters as may properly come before the meeting or any adjournment or postponement thereof.

As you may be aware, an affiliate of Bandera Partners LLC ("Bandera") has provided notice to the Company of its intent to nominate a slate of six candidates for election as directors at the Annual Meeting, and has filed proxy materials soliciting proxies for the election of four director nominees at the Annual Meeting in opposition to the

nominees proposed by the Board of Directors of the Company. You may receive solicitation materials from Bandera, including proxy statements and proxy cards. **The Board of Directors does NOT endorse any of Bandera's nominees and unanimously recommends that you vote "FOR" the election of each of the nominees proposed by the Board on the WHITE proxy card.**

It is important that your shares be represented at the Annual Meeting whether or not you are personally able to attend. Even if you plan to attend the Annual Meeting, we hope that you will read the enclosed Proxy Statement and we urge you to promptly vote by completing, signing and dating the WHITE proxy card and mailing it in the enclosed postage pre-paid envelope. You may also vote by telephone or the Internet by following the instructions on the WHITE proxy card. Please note that if you hold your shares as a beneficial owner through a bank or broker and you do not indicate on your proxy card your preferences with respect to any given proposal, your bank or broker will not be permitted to vote on your behalf on such proposal.

Thank you for your support.

Sincerely,

Christopher J. Pappas
President and Chief Executive Officer

LUBY'S, INC.

13111 Northwest Freeway, Suite 600

Houston, Texas 77040

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD

JANUARY 25, 2019

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of Luby's, Inc., a Delaware corporation (the "Company"), has called the 2019 Annual Meeting of Shareholders (the "Annual Meeting") of the Company, which will be held at 13111 Northwest Freeway, Suite 300, Houston, Texas 77040, on January 25, 2019, at 10:00 a.m., Houston time, for the following purposes:

- (1) Elect nine directors to serve until the 2020 Annual Meeting of Shareholders of the Company;
- (2) Ratify the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for the fiscal year ending August 28, 2019;
- (3) Conduct an advisory vote approving the compensation of the Company's Named Executive Officers;
- (4) Approve an amendment of the Company's Amended and Restated Certificate of Incorporation to eliminate the supermajority voting requirement for shareholders to remove directors; and
- (5) Act upon such other matters as may properly come before the meeting or any adjournment or postponement thereof.

The Board has determined that shareholders of record at the close of business on December 5, 2018 will be entitled to vote at the Annual Meeting. A complete list of shareholders of record entitled to vote at the Annual Meeting will be on file at the Company's corporate office at 13111 Northwest Freeway, Suite 600, Houston, Texas 77040, for a period of 10 days prior to the Annual Meeting. During such time, the list will be open to the examination of any shareholder during ordinary business hours for any purpose germane to the Annual Meeting.

Your vote is important. You may vote in any one of the following ways:

Use the toll-free telephone number (888) 426-7022 from the U.S. or Canada;

Use the Internet website <https://www.proxyvoting.com/LUB>; or

Mark, sign, date and promptly return the enclosed WHITE proxy card in the postage-paid envelope.

Shareholders who do not expect to attend the Annual Meeting in person are urged to review the enclosed proxy statement for specific voting instructions and to choose the method they prefer for casting their votes.

As you may be aware, an affiliate of Bandera Partners LLC (“Bandera”) has provided notice to the Company of its intent to nominate a slate of six nominees (the “Bandera Nominees”) for election as directors at the Annual Meeting, and has filed proxy materials soliciting proxies for the election of four director nominees at the Annual Meeting in opposition to the nominees proposed by the Board. You may receive solicitation materials from Bandera, including proxy statements and gold proxy cards. We urge you to disregard such materials. We are not responsible for the accuracy of any information provided by or relating to Bandera or its nominees contained in solicitation materials filed or disseminated by or on behalf of Bandera or any other statements Bandera or its representatives may make.

The Board does NOT endorse any Bandera Nominee and unanimously recommends that you vote “FOR” the election of each of the nominees proposed by the Board on the WHITE proxy card. The Board strongly urges you not to sign or return any proxy card sent to you by Bandera. If you have previously submitted a proxy card sent to you by Bandera, you can revoke that proxy by following the instructions on the enclosed **WHITE** proxy card to vote over the Internet or by telephone or by completing, signing and dating the enclosed **WHITE** proxy card and mailing it in the postage pre-paid envelope provided. Only your latest dated proxy will count. Any proxy may be revoked at any time prior to its exercise at the Annual Meeting as described in the accompanying Proxy Statement.

It is extremely important that your shares be represented and voted at the Annual Meeting.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. We urge you to date, sign and return the WHITE proxy card in the envelope provided to you, or to use the telephone or Internet method of voting described on your WHITE proxy card, even if you plan to attend the Annual Meeting, so that if you are unable to attend the Annual Meeting, your shares can be voted. Voting now will not limit your right to change your vote or to attend the Annual Meeting. If you should be present at the meeting and desire to vote in person, you may withdraw your proxy. If your shares are held in the name of a broker, bank or other holder of record, follow the voting instructions you received from the holder of record in order to vote your shares.

We appreciate your continued interest in the Company. We look forward to greeting in person as many of our shareholders as possible at the Annual Meeting. If you have any questions or require any assistance with voting your shares, or if you need additional copies of the proxy materials, please contact our proxy solicitation firm, Morrow Sodali LLC, at:

Morrow Sodali LLC

509 Madison Avenue

Suite 1206

New York, NY 10022

Call Toll-Free (800) 662-5200

or

E-mail: LUB@morrow sodali.com

By Order of the Board of Directors of Luby's, Inc.

General Counsel and Corporate Secretary

Houston, Texas

December 21, 2018

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS:

The Notice of Annual Meeting of Shareholders, the Proxy Statement for the Annual Meeting, and the Company's Annual Report for the fiscal year ended August 29, 2018 are or will be available electronically at <http://www.lubysinc.com/investors/filings>.

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LUBY'S, INC.

13111 Northwest Freeway, Suite 600

Houston, Texas 77040

PROXY STATEMENT

This proxy statement (including all annexes attached hereto, this "Proxy Statement") and the accompanying **WHITE** proxy card are being provided to shareholders in connection with the solicitation of proxies by the Board of Directors (the "Board") of Luby's, Inc., a Delaware corporation (the "Company"), for use at the Annual Meeting of Shareholders of the Company to be held at 13111 Northwest Freeway, Suite 300, Houston, Texas 77040 on January 25, 2019 (including any adjournment or postponement thereof, the "Annual Meeting"). This Proxy Statement is dated December 21, 2018 and together with the accompanying **WHITE** proxy card is first being mailed to shareholders on or about December 21, 2018.

We have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a Notice of Annual Meeting and a **WHITE** proxy card, and by notifying you of the availability of our proxy materials on the Internet. The Notice of Annual Meeting, Proxy Statement and Annual Report to Shareholders for the Company's fiscal year ended August 29, 2018 are available at <http://www.lubysinc.com/investors/filings>.

The purposes of the Annual Meeting are:

- (1) Elect nine directors to serve until the 2020 Annual Meeting of Shareholders of the Company;
- (2) Ratify the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for the fiscal year ending August 28, 2019;
- (3) Conduct an advisory vote approving the compensation of the Company's Named Executive Officers;
- (4) Approve an amendment of the Company's Amended and Restated Certificate of Incorporation to eliminate the supermajority voting requirement for shareholders to remove directors; and
- (5) Act upon such other matters as may properly come before the meeting or any adjournment or postponement thereof.

Under our governing documents, no other business may be raised by shareholders at the Annual Meeting unless proper and timely notice has been given to us by the shareholders seeking to bring such business before the meeting. As of the date of this Proxy Statement, the Board knows of no business other than that set forth above to be transacted at the Annual Meeting, but if other matters requiring a vote do arise, it is the intention of the persons named on the WHITE proxy card, to whom you are granting your proxy and to whom such proxy confers discretionary authority to vote on any unanticipated matters, to vote in accordance with their best judgment on such matters.

YOUR VOTE IS VERY IMPORTANT. An affiliate of Bandera Partners LLC (“Bandera”) has provided notice to the Company of its intent to nominate a slate of six nominees (the “Bandera Nominees”) for election as directors at the Annual Meeting, and has filed proxy materials soliciting proxies for the election of four director nominees at the Annual Meeting in opposition to the nominees proposed by the Board. The Board does NOT endorse any Bandera Nominee and unanimously recommends that you vote “FOR” the election of each of the nominees proposed by the Board on the WHITE proxy card. The Board further urges you to discard any and all proxy cards provided to you by Bandera.

QUESTIONS AND ANSWERS RELATED TO THE SOLICITATION

Solicitation

Why am I receiving these materials?

The Board and the other participants in this proxy solicitation (as detailed elsewhere in this Proxy Statement) are soliciting proxies in connection with the Annual Meeting. You are receiving this Proxy Statement as a shareholder of the Company. We request that you promptly use the enclosed **WHITE** proxy card to vote, by telephone, Internet or mail, in the event you desire to express your support of or opposition to the proposals. Whether or not you plan to attend the Annual Meeting, please take the time to vote your shares as soon as possible.

THE BOARD UNANIMOUSLY RECOMMENDS VOTING “**FOR**” THE ELECTION OF THE BOARD’S NOMINEES UNDER PROPOSAL 1, “**FOR**” PROPOSAL 2, “**FOR**” PROPOSAL 3 AND “**FOR**” PROPOSAL 4 USING THE ENCLOSED **WHITE** PROXY CARD. THE BOARD URGES YOU NOT TO SIGN, RETURN OR VOTE ANY PROXY CARD THAT MAY BE SENT TO YOU BY BANDERA EVEN AS A PROTEST VOTE, AS ONLY YOUR LATEST DATED PROXY CARD WILL BE COUNTED.

What is a proxy?

A proxy is your legal designation of another person to vote on your behalf. You are giving the individual appointed by the Board as proxy the authority to vote your shares in the manner you indicate.

Why did I receive more than one notice?

You may receive multiple notices if you hold your shares in different ways (e.g., joint tenancy, trusts or custodial accounts) or in multiple accounts. If your shares are held by a broker (i.e., in “street name”), you will receive your notice or other voting information from your broker. In any case, you should vote for each notice you receive.

Voting Information

Who is qualified to vote?

Only record holders of the Company's common stock, par value \$0.32 per share ("Common Stock") at the close of business on December 5, 2018, which we refer to as the "record date," will be entitled to vote at the Annual Meeting.

How many votes do I have?

You have one vote for each share of Common Stock that you owned at the close of business on the record date. These shares include shares held by you as a "shareholder of record" and as a "beneficial owner."

How many shares of Common Stock may vote at the Annual Meeting?

There were 29,664,360 shares of Common Stock outstanding as of the record date. Each share of Common Stock outstanding is entitled to one vote.

What "quorum" is required for the Annual Meeting?

The presence in person or by proxy of the holders of a majority of the shares of Common Stock outstanding on the record date will constitute a quorum at the Annual Meeting. Abstentions and broker non-votes, if any, will be included in determining the presence of a quorum at the Annual Meeting.

What is the difference between a "shareholder of record" and a "beneficial" holder?

If your shares are registered directly in your name with American Stock Transfer & Trust Company, LLC, the Company's transfer agent, you are a "shareholder of record." If your shares are held in the name of a brokerage, bank, trust or other nominee as a custodian, you are a "beneficial" holder.

How can I vote at the Annual Meeting?

Shareholders of Record. If your shares are held in your name, you may vote by proxy or you may vote in person by attending the Annual Meeting. If your shares are held in your name and you would like to vote your shares by proxy prior to the Annual Meeting, there are three ways for you to vote:

1. **By Telephone:** Call (888) 426-7022 (toll charges may apply for calls made from outside the United States) and follow the instructions provided;
2. **By Internet:** Log on through the Internet at *www.proxyvoting.com/LUB* and follow the instructions at that site;
or
3. **By Mail:** If you received a proxy card in the mail, complete, sign, and mail the proxy card in the return envelope provided to you.

Please note that telephone and Internet voting will close at 11:59 p.m. Eastern time on January 24, 2019. If you wish to vote by telephone or Internet, follow the instructions on your proxy card.

If you plan to attend the Annual Meeting and wish to vote in person, you will be given a ballot at the Annual Meeting. You are encouraged to complete, sign and date the **WHITE** proxy card and mail it in the enclosed postage pre-paid envelope regardless of whether or not you plan to attend the Annual Meeting.

Beneficial Holders. If your shares are held through a bank or broker, you can vote via the Internet or by telephone if your bank or broker offers these options. Please see the voting instructions provided by your bank or broker for use in instructing your bank or broker how to vote. Your bank or broker cannot vote your shares without instructions from you. You will not be able to vote in person at the Annual Meeting unless you obtain a legal proxy from the record holder giving you the right to vote the shares.

What are the Board's recommendations on how I should vote my shares?

The Board unanimously recommends that you vote your shares of Common Stock on the **WHITE** proxy card as follows:

- Proposal 1 “FOR” the election of each of the Board’s nine nominees for director with a one-year term expiring at the 2020 annual meeting of the Company’s shareholders.
- Proposal 2 “FOR” the ratification of the appointment of Grant Thornton LLP as the Company’s independent registered public accounting firm (independent auditors) for the fiscal year ending August 30, 2019.
- Proposal 3 “FOR” the resolution of an advisory vote approving the compensation of the Company’s Named Executive Officers.
- Proposal 4 “FOR” the approval of an amendment of the Company’s Amended and Restated Certificate of Incorporation to eliminate the supermajority voting requirement for shareholders to remove directors.

The Board knows of no other matters that may be presented for shareholder action at the Annual Meeting. If other matters are properly brought before the Annual Meeting, the persons named as proxies on the accompanying proxy card intend to vote the shares represented by them in accordance with their best judgment.

How will my shares be voted if I do not specify how they should be voted?

If you properly execute the enclosed **WHITE** proxy card without indicating how you want your shares to be voted, all shares represented will be voted as recommended by the Board.

Can I revoke my proxy?

Shareholders of Record. If your shares are held in your name, whether you vote by mail, the Internet, or by telephone, you may revoke your proxy by delivering a written statement to that effect to the Secretary of the Company at 13111 Northwest Freeway, Suite 600 Houston, Texas 77040 prior to the date of the Annual Meeting, by a later-dated electronic vote via the Internet, by telephone, by submitting a properly signed proxy with a later date, or by voting in person at the Annual Meeting.

Beneficial Holders. If you hold your shares through a bank or broker, the methods available to you to revoke your proxy are determined by your bank or broker, so please see the instructions provided by your bank or broker.

What vote will be required to approve each proposal?

A majority of the votes cast by the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors at the Annual Meeting is required for the election of a director nominee. Shareholders do not have cumulative voting rights.

Ratification of the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm and the approval of the compensation of our Named Executive Officers (as defined in "Executive Compensation-Compensation Tables and Information-Summary Compensation Table") on a non-binding basis each require the affirmative vote of a majority of the votes cast by the shares present or represented by proxy and entitled to vote on each such matter at the Annual Meeting.

Approval of the amendment to the Company's Amended and Restated Certificate of Incorporation to eliminate the supermajority voting requirement for shareholders to remove directors requires the affirmative vote of the holders of 80% or more of the voting power of the outstanding shares.

Abstentions and broker-non votes, if any, will have the same effect as a vote "against" the proposal to approve the amendment to the Company's Amended and Restated Certificate of Incorporation and will have no effect on any of the other proposals.

What are broker non-votes?

A "broker non-vote" occurs when a beneficial holder does not provide instructions to a broker, bank or other nominee and such broker, bank or other nominee lacks discretionary voting power to vote shares with respect to a particular proposal. In uncontested situations, under NYSE rules, brokers are permitted to exercise discretionary voting authority on "routine" matters, but beneficial shareholders must provide voting instructions with respect to non-routine matters. However, the rules of the NYSE governing brokers' discretionary authority do not permit brokers to exercise discretionary authority regarding any of the proposals to be voted on at a shareholder meeting involving a contested election where brokers receive competing proxy materials. As a result, given that we expect a contested election at the Annual Meeting, we do not expect there to be any broker non-votes at the Annual Meeting. In the event that the election of directors becomes uncontested, brokers may be permitted to exercise voting authority on "routine" matters.

Under Delaware law, shareholders are not entitled to appraisal or dissenters' rights with respect to the proposals presented in this Proxy Statement.

Who will count the votes?

American Election Services will serve as inspector of election. It is the Company's policy that the inspector of election at any shareholder meeting will be independent and unaffiliated with the Company. The inspector of election will be present at the Annual Meeting.

General

Who will pay the cost of this proxy solicitation?

The Company will pay the costs of soliciting proxies. Upon request, the Company will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in forwarding proxy materials to beneficial owners of shares of the Common Stock.

Has the Company received notice from one or more shareholders that they intend to nominate director candidates at the Annual Meeting?

Bandera has nominated a slate of six candidates for election as directors at the Annual Meeting, and has filed proxy materials soliciting proxies for the election of four director nominees at the Annual Meeting. The Board **DOES NOT** endorse the Bandera Nominees and unanimously recommends that you vote **FOR** the election of each of the nominees proposed by the Board by marking, signing, dating and promptly returning the enclosed **WHITE** proxy card. The Bandera Nominees are **NOT** endorsed by the Board.

You may receive proxy solicitation materials from Bandera, including an opposition proxy statement. **The Board recommends that you disregard them along with any gold proxy cards you may receive.** We are not responsible for the accuracy of any information provided by or relating to Bandera or their nominees contained in any proxy solicitation materials filed or disseminated by, or on behalf of, Bandera or any other statements that Bandera may otherwise make. If you have already voted using the proxy card provided by Bandera, you have the right to change your vote by completing, signing and dating the enclosed **WHITE** proxy card and mailing it in the postage pre-paid envelope provided, or by voting by telephone or via the Internet by following the instructions provided on the enclosed **WHITE** proxy card. Only the latest dated proxy card you submit will be counted. If you vote "withhold" on the Bandera Nominees using the proxy card provided by the Bandera, your vote will not be counted as a vote for the

Board's nominees, but will result in the revocation of any previous vote you may have cast on the Company's **WHITE** proxy card. If you wish to vote pursuant to the recommendation of the Board, you should disregard any gold proxy card that you receive and vote the **WHITE** proxy card. **If you have any questions or need assistance voting, please call Morrow Sodali LLC, our proxy solicitor, at (203) 658-9400 or toll-free at (800) 662-5200.**

If you receive multiple Proxy Statements or **WHITE** proxy cards, your shares are likely registered differently or are in more than one account, such as individually and also jointly with your spouse. Please vote each and every **WHITE** proxy card or **WHITE** voting instruction form you receive. Since Bandera has submitted an opposing slate of directors, we will likely conduct multiple mailings prior to the Annual Meeting date to ensure shareholders have our latest proxy information and materials to vote. We will send you a new **WHITE** proxy card with each mailing, regardless of whether you have previously voted. Only the latest dated proxy you submit will be counted. **If you wish to vote as recommended by the Board, then you should only submit WHITE proxy cards.**

Whom should I call if I have questions about the Annual Meeting?

If you have any questions or require any assistance with voting your shares, or if you need additional copies of the proxy materials, please contact:

Morrow Sodali LLC

509 Madison Avenue

Suite 1206

New York, NY 10022

Call Toll-Free: (800) 662-5200

or

E-mail: LUB@morrowsodali.com

BACKGROUND TO THE SOLICITATION

On November 17, 2017, Bandera filed a Schedule 13D (as amended, the “Schedule 13D”) with the Securities and Exchange Commission (the “SEC”) disclosing ownership of 5.2% of the Common Stock.

On Tuesday, October 30, 2018, Bandera filed Amendment No. 1 to its Schedule 13D with the SEC disclosing ownership of 6.9% of the Common Stock. On the same day, unknown to the Company at the time, Bandera initiated the process of moving 1,000 shares into record name, a technical requirement to initiate a proxy contest under Delaware law and the Company’s Bylaws, as amended (the “Bylaws”).

On Friday, November 2, 2018, only nine days prior to the Company’s director nomination deadline of November 11, 2018, Bandera called Peter Tropoli, the Company’s General Counsel and Corporate Secretary, and demanded three seats on the Board. Although it did not disclose any particular candidates, Bandera threatened to nominate an opposing slate of directors if its demands were not met within five days by Wednesday, November 7, 2018. This was the first time Bandera ever demanded seats on the Board or even criticized the composition of the Board.

On Monday, November 5, 2018, the Company convened a special meeting of the Board to consider Bandera’s demand. After extensive discussions, the Board decided it needed more information before it could proceed. Therefore, the Board directed the Company’s outside legal counsel, Sidley Austin LLP (“Sidley”), to provide more information about Bandera, its proposed candidates and the overall situation. To give the Board more time, the Board determined to reconvene on November 14, 2018 and decided to extend the director nomination deadline for Bandera until November 19, 2018. The Board also designated Mr. Tropoli as spokesperson of the Board since Bandera had originally contacted him.

On Wednesday, November 7, 2018, in response to Bandera’s demand, on behalf of the Board, Peter Tropoli called Jeff Gramm and informed Mr. Gramm about the extension of the nomination deadline for Bandera until November 19, 2018. Following the call, Mr. Tropoli sent a formal letter to Mr. Gramm reaffirming the extension of the nomination deadline for Bandera.

On Wednesday, November 7, 2018, unknown to the Company at the time, Bandera privately proceeded with obtaining written consents from all six of its director candidates to participate in a proxy contest against the Company.

On Thursday, November 8 and Friday, November 9, 2018, Mr. Christopher Davis of Kleinberg, Kaplan, Wolff & Cohen, P.C. (“Kleinberg Kaplan”), counsel to Bandera, and Mr. Kai Haakon Liekefett of Sidley exchanged emails concerning the extension of the nomination deadline for Bandera. Since the Company was in the process of refinancing its credit facility, Mr. Liekefett stressed to Mr. Davis that confidentiality was paramount for the Company.

On Monday, November 12, 2018, Mr. Gramm sent a written term sheet for a proposed settlement agreement to Mr. Tropoli, thereby triggering a legal requirement for Bandera to amend its Schedule 13D and disclose the term sheet within two business days. Pursuant to its term sheet, Bandera demanded the appointment of Mr. Gramm, his father, and one of his business associates, Mr. Timothy Brog, to the Board. The term sheet proposed to set the size of the Board at nine directors, thereby giving Bandera one third of the seats on the Board while requiring three directors to step down. Additionally, the term sheet contemplated the formation of a Strategy Committee for which two of the three committee members would be Bandera designees. The letter demanded the Board respond with a decision “no later than the close of business on November 14, 2018,” giving the Board only approximately 48 hours to convene, consider and accept Bandera’s demands.

Later that day, Mr. Tropoli responded to Mr. Gramm’s email acknowledging receipt of the term sheet and stating that the Board would not be able to reach a decision within 48 hours. Mr. Tropoli promised that the Board would respond to Mr. Gramm by the end of the week and still in advance of the extended nomination deadline of November 19, 2018. Mr. Gramm responded to Mr. Tropoli stating that a failure to reach an agreement within 48 hours would leave Bandera with “no choice but to officially send [its] notice to nominate [its] slates of nominees” and to disclose its director nominations in a Schedule 13D amendment.

On Wednesday, November 14, 2018, Bandera’s director candidate Timothy Brog called Mr. Liekefett and each expressed hope for an amicable resolution. Mr. Liekefett reiterated the Board’s message that it would respond to Bandera’s settlement proposal by the end of the week, well in advance of the extended nomination deadline of November 19, 2018.

On Wednesday, November 14, 2018, the Board met telephonically to discuss Bandera’s demands. At the meeting, the Board decided, among other things, to invite Mr. Gramm to an interview with the Board and to extend further the director nomination deadline for Bandera until December 14, 2018 in order to provide Mr. Gramm and the Board with sufficient time to discuss related matters.

On the morning of Thursday, November 15, 2018, before the Company could transmit the Board’s decision to Bandera, Mr. Gramm revoked his settlement proposal and instead delivered Bandera’s formal nomination notice, indicating an intent to nominate a majority slate of six director candidates, consisting of Mr. Gramm, Senator Gramm, Mr. Brog, Ms. Stacy Hock, Mr. Savneet Singh and Mr. Bright K. Wright, for election at the Annual Meeting. On the same day, Bandera filed amendment No. 2 to its Schedule 13D with the SEC, disclosing the director nomination notice and ownership of 7.1% of the Common Stock. Bandera did not request a waiver of the Company director retirement policy for Senator Gramm, despite his being four years older than the retirement age for directors pursuant to that policy.

On Friday, November 16, 2018, the Board met to discuss recent developments. The Board decided that its originally contemplated response was no longer appropriate since Bandera had revoked its settlement proposal. Instead, the Board directed Sidley to conduct a thorough background check on all six of Bandera's director candidates prior to Thanksgiving to assist the Board in its consideration of these candidates. The Board decided to reconvene after Thanksgiving.

On Monday, November 19, 2018, Mr. Tropoli sent a letter to Mr. Gramm on behalf of the Company in response to Bandera's nomination notice. The letter acknowledged receipt of Bandera's nomination notice and expressed surprise at the revocation of the settlement proposal. Consistent with its fiduciary duties, the Board committed to review the notice and consider Bandera's proposed director candidates.

On Wednesday, November 21, 2018, Sidley sent a memorandum with a detailed background on all six of Bandera's director candidates to the Board.

On Tuesday, November 27, 2018, Bandera issued a public letter to the Board raising a number of criticisms Bandera had not previously shared with the Board or management, including matters relating to executive compensation, capital expenditures and financial management. The letter alleged that the Board had refused to engage with Bandera, at the same time criticizing the fact that the Company had selected a single spokesperson to speak on behalf of the Board in this matter. Finally, the letter characterized the Board's actions as forcing Bandera's hand in nominating its dissident slate. Bandera filed its letter as an exhibit to Amendment No. 3 to Bandera's Schedule 13D, filed with the SEC on the same date. The third amendment to the Schedule 13D reported Bandera as beneficially owning 8.9% of the Common Stock.

On Thursday, November 29, 2018, the Board met to consider all six of Bandera's director candidates. After extensive discussions, the Board decided to interview two of Bandera's new director candidates, Mr. Singh and Mr. Wright, whose skill sets appeared to be more relevant to the Board than Mr. Gramm's. Furthermore, each of the directors, including Mr. Christopher Pappas and Mr. Harris Pappas, agreed to sign a binding voting commitment to vote their shares of Common Stock in accordance with the recommendations of the Board at the Annual Meeting, as described in further detail in Annex A of this Proxy Statement, under the subheading "**Other Contracts, Arrangements and Understandings with Participants.**"

On Friday, November 30, 2018, the Company issued a press release in response to Bandera's public letter. The press release indicated that the Board was in the process of reviewing Bandera's candidates and expressed surprise at Bandera's nominations in light of the Board's repeated offers to engage with Bandera on a timeline consistent with its fiduciary duties. Additionally, the press release disclosed that each member of the Board, including Mr. Christopher Pappas and Mr. Harris Pappas, had irrevocably committed to vote their shares of Common Stock at the Annual Meeting in accordance with the recommendations of the Board.

On Monday, December 3, 2018, Mr. Tropoli sent an email to Mr. Gramm indicating that the Board would like to schedule interviews with Mr. Singh and Mr. Wright, and requested that each candidate complete a director

questionnaire to assist the Board in evaluating their candidacy.

Later the same day, in response to the email, Mr. Tropoli received a letter from Mr. Davis of Kleinberg Kaplan demanding that Mr. Tropoli refrain from engaging with Bandera without his permission. Mr. Davis also sent a letter to Mr. Liekefett at Sidley, stating that Bandera would not permit its director nominees to interview with the Board unless a settlement agreement was first agreed to. Moreover, the letter characterized the Board's decision not to invite Mr. Gramm for an interview as a "snub."

On Thursday, December 6, 2018, Kleinberg Kaplan sent a letter to Sidley requesting certain shareholder list materials pursuant to Section 220 of the Delaware General Corporation Law.

On Friday, December 7, 2018, the Board met again to discuss Bandera's refusal to allow the Board to interview its candidates and complete the director questionnaires. After extensive discussions, the Board directed Sidley to reach out to Bandera one last time and reiterate the Board's willingness to seriously consider Mr. Singh and Mr. Wright.

On Sunday, December 9, 2018, Mr. Liekefett of Sidley called Mr. Davis of Kleinberg Kaplan. During the call, Mr. Liekefett explained that the Board could not fulfill its fiduciary duty of care if it agreed to appoint directors without first interviewing the candidates. Later the same day, Mr. Liekefett sent a formal letter to that effect. The letter also noted that the Board would stand by its offer to interview Mr. Singh and Mr. Wright if Bandera were willing to reconsider its position. The letter further stated that if the Board did not hear from Bandera by the close of business on December 11, 2018, the Company would proceed with its filing of its proxy materials. Bandera never responded to the letter.

On Monday, December 10, 2018, Bandera filed Amendment No. 4 to its Schedule 13D with the SEC, disclosing ownership of 9.9% of the Common Stock.

On Tuesday, December 11, 2018, Bandera filed preliminary proxy materials with the SEC, disclosing an opposing slate of four director candidates, consisting of Mr. Gramm, Senator Gramm, Ms. Stacy Hock and Mr. Savneet Singh, for election at the Annual Meeting. Bandera has not, however, formally withdrawn the nomination notice in respect of Mr. Brog and Mr. Wright.

On Tuesday, December 11, 2018, the Board met again to discuss the Bandera situation. The Board determined that Bandera's refusal to interview its candidates left it with no other choice than to proceed with a proxy contest. The Board also approved the Company's slate, including a new director candidate, Twila M. Day, whom the Board had been considering and interviewing for several months.

On Wednesday, December 12, 2018, the Company filed a preliminary proxy statement with the SEC.

On Thursday, December 13, 2018, Sidley sent a letter to Kleinberg Kaplan stating that the Company would provide Bandera with certain shareholder list materials as requested in Kleinberg Kaplan's December 6th letter.

On Tuesday, December 18, 2018, the Company filed an amended preliminary proxy statement with the SEC.

On Wednesday, December 19, 2018, Bandera filed an amended preliminary proxy statement with the SEC.

On Wednesday, December 19, 2018, the Company filed an amended preliminary proxy statement with the SEC.

On Thursday, December 20, 2018, Bandera filed an amended preliminary proxy statement with the SEC.

On Friday, December 21, 2018, the Company filed this definitive proxy statement with the SEC.

OWNERSHIP OF EQUITY SECURITIES IN THE COMPANY

The following table sets forth information concerning the beneficial ownership of Common Stock, as of December 5, 2018, for (a) each director currently serving on the Board, (b) each nominee for election as a director at the Annual Meeting named in this Proxy Statement, (c) each of the officers named in the Summary Compensation Table not listed as a director, and (d) all directors and executive officers as a group. In general, “beneficial ownership” includes those shares a director or executive officer has the power to vote or transfer and those shares that the director or executive officer has the right to acquire within 60 days after December 5, 2018.

Name ⁽¹⁾	Shares Beneficially Owned	Percent of Common Stock	
Gerald W. Bodzy ⁽²⁾	55,619	*	
Judith B. Craven ⁽³⁾	95,531	*	
K. Scott Gray ⁽⁴⁾	372,366	1.22	%
Jill Griffin ⁽⁵⁾	91,874	*	
Frank Markantonis ⁽⁶⁾	195,833	*	
Joe C. McKinney ⁽⁷⁾	154,161	*	
Gaspar Mir, III ⁽⁸⁾	123,641	*	
Christopher J. Pappas ⁽⁹⁾	5,717,503	18.72	%
Harris J. Pappas ⁽¹⁰⁾	5,527,815	18.10	%
Peter Tropoli ⁽¹¹⁾	444,368	1.46	%
Twila M. Day	0	*	
All directors and executive officers of the Company, as a group (11 persons) ⁽¹²⁾	11,877,565	38.90	%

* Represents beneficial ownership of less than one percent of the shares of Common Stock issued and outstanding on December 5, 2018.

Except as indicated in these notes and subject to applicable community property laws, each person named in the table owns directly the number of shares indicated and has the sole power to vote and to dispose of such shares. Shares of phantom stock held by a nonemployee director convert into an equivalent number of shares of Common Stock when the nonemployee director ceases to be a director of the Company due to resignation, retirement, death, disability, removal, or any other circumstance. The shares of Common Stock payable upon conversion of the phantom stock are included in this table because it is possible for the holder to acquire the shares of Common Stock within 60 days if his or her directorship were to be terminated. Under the Company’s Nonemployee Director Stock Plan, restricted stock awards may become unrestricted when a nonemployee director ceases to be a director of the Company. Unless otherwise specified, the mailing address of each person named in the table is 13111 Northwest Freeway, Suite 600, Houston, Texas 77040.

(2) The 55,619 shares shown for Mr. Bodzy are shares of restricted stock.

(3) The shares shown for Dr. Craven include 69,626 shares held for her benefit in a custodial account, 11,469 shares of phantom stock held under the Nonemployee Director Phantom Stock Plan, and 14,436 shares of restricted stock.

(4) The shares shown for Mr. Gray include 87,667 shares held for his benefit in a custodial account and 284,699 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan.

(5) The shares shown for Ms. Griffin include 77,438 shares held for her benefit in a custodial account and 14,436 shares of restricted stock.

The shares shown for Mr. Markantonis include 140,399 shares held for his benefit in a custodial account, 3,879 (6) shares of phantom stock held under the Nonemployee Director Phantom Stock Plan and 51,555 shares of restricted stock.

(7) The shares shown for Mr. McKinney include 128,174 shares held in certificate form and 25,987 shares of restricted stock.

(8) The shares shown for Mr. Mir include 75,791 shares held for his benefit in a custodial account, 2,453 shares of phantom stock held under the Nonemployee Director Phantom Stock Plan, and 45,397 shares of restricted stock.

The shares shown for Christopher J. Pappas include 4,595,673 shares held for his benefit in a custodial account, 50,000 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan, and 1,071,830 (9) shares owned by Pappas Restaurants, Inc., as each of Christopher J. Pappas and Harris J. Pappas owns a 50% interest in Pappas Restaurants, Inc. and therefore owns a corresponding beneficial interest in the 1,071,830 shares owned by Pappas Restaurants, Inc.

The shares shown for Harris J. Pappas include 4,333,866 shares held for his benefit in a custodial account, 50,000 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan, 72,119 shares of (10) restricted stock, and 1,071,830 shares owned by Pappas Restaurants, Inc., as each of Christopher J. Pappas and Harris J. Pappas owns a 50% interest in Pappas Restaurants, Inc. and therefore owns a corresponding beneficial interest in the 1,071,830 shares owned by Pappas Restaurants, Inc.

(11) The shares shown for Mr. Tropoli include 116,519 shares held for his benefit in a custodial account and 327,849 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan.

The shares shown for all directors and executive officers as a group include 9,635,378 shares held in custodial accounts, 873,007 shares which they have the right to acquire within 60 days under the Company's various benefit (12) plans, 279,549 shares of restricted stock, 17,801 shares of phantom stock held by nonemployee directors under the Nonemployee Director Phantom Stock Plan, and 1,071,830 shares owned by Pappas Restaurants, Inc., of which Christopher J. Pappas and Harris J. Pappas each own a 50% interest, as described above.

PRINCIPAL SHAREHOLDERS

The following table sets forth information as to the beneficial ownership of Common Stock by each person or group known by the Company to own beneficially more than 5% of the outstanding shares of Common Stock as of December 5, 2018 and, unless otherwise indicated, is based on disclosures made by the beneficial owners in SEC filings under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

Name and Address of Beneficial Owner ⁽¹⁾	Shares Beneficially Owned	Percent of Common Stock	
Christopher J. Pappas ⁽²⁾ 13939 Northwest Freeway Houston, Texas 77040	5,717,503	18.72	%
Harris J. Pappas ⁽³⁾ 13939 Northwest Freeway Houston, Texas 77040	5,527,815	18.10	%
Bandera Partners LLC ⁽⁴⁾ 50 Broad Street, Suite 1820 New York, New York 10004	2,911,000	9.53	%
Dimensional Fund Advisors LP ⁽⁵⁾ Palisades West, Building One, 6300 Bee Cave Road, Austin, Texas 78746	2,265,303	7.42	%
Hodges Capital Management, Inc. ⁽⁶⁾ 2905 Maple Ave. Dallas, Texas 75201	1,737,885	5.69	%

(1) Except as indicated in these notes and subject to applicable community property laws, each person named in the table owns directly the number of shares indicated and has the sole power to vote and to dispose of such shares.

The shares shown for Christopher J. Pappas include 4,595,673 shares held for his benefit in a custodial account, 50,000 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan, and 1,071,830 (2) shares owned by Pappas Restaurants, Inc. Each of Christopher J. Pappas and Harris J. Pappas owns a 50% interest in Pappas Restaurants, Inc. and therefore owns a corresponding beneficial interest in the 1,071,830 shares owned by Pappas Restaurants, Inc.

(3)

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The shares shown for Harris J. Pappas include 4,333,866 shares held for his benefit in a custodial account, 50,000 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan, 72,119 shares of restricted stock, and 1,071,830 shares owned by Pappas Restaurants, Inc. Each of Christopher J. Pappas and Harris J. Pappas owns a 50% interest in Pappas Restaurants, Inc. and therefore owns a corresponding beneficial interest in the 1,071,830 shares owned by Pappas Restaurants, Inc.

Information based solely on Amendment No. 4 to Schedule 13D/A dated December 10, 2018 and filed on (4) December 10, 2018 with the SEC by Bandera Partners LLC. Bandera Partners LLC has sole voting authority with respect to all 2,911,000 shares.

Information based solely on Report for the Calendar Year or Quarter Ended September 30, 2018 on Form 13F-HR dated November 13, 2018 and filed on November 13, 2018 with the SEC by Dimensional Fund Advisors LP. (5) Dimensional Fund Advisors LP has sole voting authority with respect to 2,192,840 shares and has no voting authority with respect to 72,463 shares.

Information based solely on Report for the Calendar Year or Quarter Ended September 30, 2018 on Form 13F-HR dated October 29, 2018 and filed on October 29, 2018 with the SEC by Hodges Capital Management, Inc. Hodges (6) Capital Management, Inc. has sole voting authority with respect to 0 shares and has no voting authority with respect to 1,737,885 shares.

PROPOSAL 1: ELECTION OF DIRECTORS

Each director is elected to a one-year term expiring at the next succeeding annual meeting of the shareholders of the Company. In accordance with the Bylaws, the Board has fixed the number of directors for fiscal 2019 at nine, pursuant to a resolution adopted by a majority of the entire Board.

The terms of Jill Griffin, Christopher J. Pappas, Judith B. Craven, Frank Markantonis, Arthur R. Emerson, Gasper Mir, III, Joe C. McKinney, Harris Pappas, Peter Tropoli, and Gerald Bodzy will expire at the Annual Meeting. The Board nominates Jill Griffin, Christopher J. Pappas, Judith B. Craven, Frank Markantonis, Gasper Mir, III, Joe C. McKinney, Harris Pappas, Twila M. Day, and Gerald Bodzy for election as directors to serve until our 2020 annual meeting of shareholders or until their successors are elected and qualified. The Board recommends a vote “FOR” each nominee. Judith Craven and Harris Pappas have reached the age of 73 and pursuant to the Company’s Corporate Governance Guidelines, Dr. Craven and Mr. Harris Pappas have each offered their resignations from the Board effective as of the Annual Meeting. However, the Board has resolved to grant both of them a limited waiver from the age limit because of the importance of their contributions to the Board and the Company’s current business strategy.

All such nominees named above have consented to being named in this Proxy Statement and to serve as directors of the Company if elected. It is expected that all nominees proposed by the Board will be able to serve on the Board if elected. However, if before the Annual Meeting one or more of the Board’s nominees are unable to serve or for good cause will not serve (a situation that we do not anticipate), the proxy holders will vote the proxies for the remaining nominees and for substitute nominees chosen by the Board. If any substitute nominees are designated, we will file an amended proxy statement that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the amended proxy statement and to serve as directors if elected, and includes certain biographical and other information about such nominees required by the rules of the SEC, but, should any of them decline or be unable to serve, proxies may be voted for another person nominated as a substitute by the Board.

There are no family relationships, of first cousins or closer, among the Company’s directors and executive officers, by blood, marriage or adoption, except that Christopher J. Pappas and Harris Pappas are brothers and Frank Markantonis is the stepfather of Peter Tropoli, the Company’s General Counsel and Corporate Secretary.

The following information is furnished with respect to each of the nominees of the Board, including information regarding their business experience, director positions held currently or at any time during the last five years, involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board to determine that the nominees should serve as our directors. Other than as set forth in this Proxy Statement, no principal occupation of any of the Board’s nominees has been at any corporation or organization that is a parent, subsidiary or other affiliate of the Company.

Nominees for Election to Terms Expiring in 2020

JILL GRIFFIN, 64, has advised corporations, both domestically and abroad, on customer loyalty strategies as Principal of Austin-based consulting firm the Griffin Group since 1988. Ms. Griffin founded, and continues to operate, the Griffin Group, which helps people grow to be successful executives who rise into the C-suite and onto corporate boards. Ms. Griffin is a corporate fellow of the National Association of Corporate Directors (“NACD”). Her best-selling business book, *Customer Loyalty: How to Earn It, How to Keep It*, has been published in six languages and was named to Harvard Business School’s “Working Knowledge” list. Ms. Griffin has been an independent director of the Company since January 2003 and is Chair of the Personnel and Administrative Policy Committee and a member of the Executive Compensation Committee, Nominating and Corporate Governance Committee, and the Executive Committee. Ms. Griffin began her career at RJR/Nabisco where she served as Senior Brand Manager for Winston, the corporation’s largest brand. Ms. Griffin is a *magna cum laude* graduate, Distinguished Alumna recipient and Trustee of the University of South Carolina Moore School of Business from which she holds her Bachelor of Science and Master of Business Administration degrees. She has served on the marketing faculty at the University of Texas (“UT”). Her books have been adopted as textbooks for undergraduate and MBA courses at UT and other universities. Ms. Griffin is a member of the board of the National Association of Corporate Directors’ (“NACD”) Texas Tri-Cities Chapter and the immediate past Board Chairwoman of the Austin Convention and Visitors Bureau. She is also a member of the Advisory Board of Broadway Bank. Her most recent books are *Earn Your Seat on a Corporate Board* and *Women Make Great Leaders*.

Qualifications, Experience, Key Attributes, and Skills: Ms. Griffin has more than 35 years of experience, has published four books, and is widely regarded as an expert on the topics of brand management, brand loyalty, and customer experience. Furthermore, she brings leadership and management experience from her distinguished career at RJR/Nabisco, culminating in Senior Brand Manager for the corporation’s largest brand, and her Austin-based consulting firm, Griffin Group, which she founded and operates.

CHRISTOPHER J. PAPPAS, 71, has been President and Chief Executive Officer and a director of the Company since March 2001. Mr. Pappas is a member of the Executive Committee. He also has been Chief Executive Officer of Pappas Restaurants, Inc. since 1980. Mr. Pappas graduated from the University of Texas with a Bachelor of Science in Mechanical Engineering. Mr. Pappas is also an advisory director of Amegy Bank N.A.; the University of Houston Conrad Hilton School of Hotel and Restaurant Management Dean's Advisory Board; the Greater Houston Partnership Board; and a director emeritus of the National Restaurant Association.

Qualifications, Experience, Key Attributes, and Skills: Mr. Pappas has more than 40 years of experience in the restaurant industry. With his brother, Harris Pappas, he has founded and operated more than 90 restaurants during his successful career, including Pappadeaux Seafood Kitchen, Pappasitos Cantina, and Pappas Bros. Steakhouse. Additionally, Mr. Pappas has broad executive management and operational experience from his 35-year tenure as Chief Executive Officer of Pappas Restaurants, Inc. He also has extensive board and banking experience from his tenure as a board member in previous years and currently as an advisory board member Amegy Bank. Mr. Pappas and his brother, Harris Pappas, are widely regarded as restaurant industry experts.

JUDITH B. CRAVEN, M.D., M.P.H., 73, served as President of the United Way of the Texas Gulf Coast from 1992 until her retirement in 1998. Since 2003, she has served as the President of JAE & Associates LLC, a physician consulting firm. She is licensed to practice medicine and has a distinguished career in public health. She served as Dean of the School of Allied Health Sciences of the University of Texas Health Science Center at Houston from 1983 until 1992 and Vice President of Multicultural Affairs for the University of Texas Health Science Center from 1987 until 1992. She also served as Director of Public Health for the City of Houston from 1980 until 1983, which included responsibility for the regulation of all foodservice establishments in the City of Houston. Dr. Craven has been an independent director of the Company since January 1998 and is Vice-Chair of the Board, the Personnel and Administrative Policy Committee, the Executive Compensation Committee, the Executive Committee, and the Nominating and Corporate Governance Committee. She is also a director of Sun America Fund; and Valic Corp. She is a former member of the Board of Regents of the University of Texas at Austin and the Houston Convention Center Hotel. Dr. Craven served as a director of SYSCO Corporation (NYSE: SYY) from 1996 until November 2017.

Qualifications, Experience, Key Attributes, and Skills: Dr. Craven provides a unique viewpoint on the Board as a medical doctor and distinguished public health expert, bringing a background in public health to the Board that she has gained during her tenure of more than 34 years in the field. During her distinguished career, she has served on a variety of public health and healthcare boards. She also has extensive leadership experience from her high positions at medical academic institutions. Furthermore, Dr. Craven has significant experience from her tenure on the boards of public companies, investment funds, and as a regent of the University of Texas at Austin.

FRANK MARKANTONIS, 70, is an attorney with over 40 years of legal experience representing clients in the restaurant industry, with a concentration in real estate development, litigation defense, insurance procurement and coverage, immigration, and employment law. Since 1992, he has served as General Counsel of Pappas Restaurants, Inc., a Houston based restaurant group. He is a graduate of the University of Texas at Austin (1970) and the University of Houston Law Center (1973). Mr. Markantonis is admitted to practice in the following jurisdictions and before the following courts: The United States Supreme Court, District of Columbia Court of Appeals, United States Court of Appeals for the Fifth Circuit, The United States District Court for the Southern District of Texas, and the

State of Texas. Mr. Markantonis is a member of the State Bar of Texas, District of Columbia Bar, and is a Fellow in the Houston Bar Foundation. He has been a director of the Company since January 2002 and is a member of the Personnel and Administrative Policy Committee.

Qualifications, Experience, Key Attributes, and Skills: Mr. Markantonis brings extensive state and federal legal experience from his more than 43 years as a practicing attorney representing clients in the restaurant industry. He has represented his clients in all areas of legal practice affecting the operations of restaurants and hospitality clients, including real estate development, litigation defense, insurance procurement and coverage, immigration and employment law, and business transactions.

GASPER MIR, III, 72, has served as an independent business consultant since his retirement as a principal owner of the professional services firm MFR Group, Inc. (formerly known as MFR P.C.) (“MFR”), which he founded in 1988. Since 2008 and until his retirement, he served as MFR’s Chief Administrative Officer, and prior to that his work included financial audit and accounting services for clients in the retail industry. From January 2003 through January 2008, Mr. Mir took a leave of absence from MFR and served as Executive General Manager of Strategic Partnerships for the Houston Independent School District. From 1969 until 1987, he worked at KPMG LLP, an international accounting and professional services firm, serving as a partner of the firm from 1978 until 1987. Mr. Mir has been a director of the Company since January 2002 and is Chairman of the Board, Chair of the Executive Committee and the Nominating and Corporate Governance Committee, a member of the Finance and Audit Committee, and a member of the Executive Compensation Committee. As Chairm