

P.F. CHANG'S CHINA BISTRO, INC.

AMENDED AND RESTATED

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

DATED OCTOBER 18, 2011

The primary responsibilities of the Board of Directors of P.F. Chang's China Bistro, Inc. (the "Company") are to oversee the exercise of corporate powers and to ensure that the Company's business and affairs are managed to meet its stated goals and objectives. The Board recognizes its responsibility to engage, and provide for the continuity of, executive management that possesses the character, skills and experience required to attain the Company's goals and to ensure that nominees for the Board of Directors possess appropriate qualifications and reflect a reasonable diversity of backgrounds and perspectives.

Directors will fulfill the following responsibilities and requirements:

- Represent the collective interests of all stockholders of the Company;
- Discharge Board duties in good faith, with due care and in a manner he or she reasonably believes to be in the best interests of the Company;
- Possess objectivity and the highest degree of integrity on an individual and collective basis;
- Be dedicated to understanding the business of the Company and issues presented

to the Board;

- Be committed to active, objective, thoughtful, constructive and independent participation at meetings of the Board and its committees;
- Bring to the Board's deliberations their collective breadth of business, professional and personal experience to represent the interests of stockholders;
- Review fundamental operating, financial and other corporate plans, strategies and objectives;
- Evaluate on a regular and timely basis the qualitative and quantitative performance of the Company and its senior management;
- Review the process of providing appropriate financial and operation information, internally and externally;
- Oversee adherence to proper policies of corporate conduct, including compliance with applicable laws, regulations, business and ethical standards;
- Oversee maintenance of proper accounting, financial and other appropriate controls; and
- Evaluate and take steps to improve the overall effectiveness of the Board.

The Board has the responsibility to organize its functions and conduct its business in the manner it deems most effective and efficient, consistent with its duties of good faith, due care

and loyalty. In that regard, the Board has adopted a set of flexible policies to guide its governance practices in the future. These practices, set forth below, will be regularly re-evaluated by the Board's Nominating and Corporate Governance Committee in light of changing circumstances in order to continue serving the best interests of stockholders. In addition, certain of these policies, such as the procedure for electing new directors, are covered in greater detail in the Company's charter documents and other policies maintained by the Company, which are filed with the Securities and Exchange Commission ("SEC") and/or are available on the Company's website. Accordingly, the summary of current practices is not a fixed policy or resolution by the Board, but merely a statement of current practices that is subject to continuing assessment and change.

1. Size of the Board

The number will vary from time to time depending on circumstances but the Company currently believes that a Board of Directors with between seven and ten members is optimally sized. A significant majority of the Board are and will continue to be non-employee directors.

2. Board Definition of What Constitutes Independence for Non-Employee Directors

No relationship between any non-employee director and the Company should be of a nature that could compromise the independence of such director in governing the affairs of the Company. The determination of what constitutes independence for a non-employee director in any individual situation shall be made by the Board in light of the totality of the facts and circumstances relating to such

situation and in compliance with the requirements of Nasdaq's applicable listing standards and applicable rules and regulations of the SEC.

The Board will assess on a regular basis and at least annually the independence of each non-employee director and, based on the recommendation of the Nominating and Corporate Governance Committee, make a determination as to which directors are independent.

3. Number of Committees

The present Board committees are: the Audit Committee, the Compensation and Executive Development Committee and the Nominating and Corporate Governance Committee. Members of all committees are non-employees of the Company and shall be "independent" under Nasdaq's applicable listing standards and satisfy the other qualifications set forth in the charter for the applicable committee. The Board considers its current committee structure to be appropriate but the number and scope of committees may be revised as appropriate to meet changing conditions and needs.

4. Board Member Criteria

The Nominating and Corporate Governance Committee is responsible for reviewing the appropriate skills and characteristics required of directors in the context of prevailing business conditions and composition of the Board. The qualifications to be considered in the selection of director nominees include the

extent of experience in business, trade, finance, accounting or management; the extent of knowledge of regional and national business affairs; the overall judgment to advise and direct the Company in meeting its responsibilities to stockholders, customers, employees and the public; and the ability to commit sufficient time and attention to the activities of the Board. The objective is to have a Board that brings to the Company a variety of perspectives and skills derived from high quality business and professional experience.

5. Procedure for Selecting Director Candidates

The Board is responsible for selecting its members, subject to stockholder approval, but delegates the screening process to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is expected to work closely with the Chief Executive Officer and the Board to determine the characteristics and qualifications desired in members of the Board and to make recommendations of candidates to the entire Board. In the event that the Company shall have Co-Chief Executive Officers, references in these practices to “Chief Executive Officer” shall, unless the context requires otherwise, be deemed to include both Chief Executive Officers. Unless the context requires otherwise, when these practices call for the action of the Chief Executive Officer, the action of either of the Co-Chief Executive Officers shall be sufficient.

6. Extending the Invitation to a Potential New Director to Join the Board

Upon concurrence of the members of the Board, invitations to join the Board will

generally be extended on behalf of the Board by the Chief Executive Officer. Other Board members may participate as appropriate.

7. Consideration of Stockholder Nominees.

The Nominating and Corporate Governance Committee will review a reasonable number of director candidates recommended by a single stockholder who has held over 2% of the Company's common stock for over one year (and will hold the required number of shares through the annual stockholders meeting)_and who satisfies the notice, information and consent provisions set forth in the Company's Bylaws. Candidates so recommended will be reviewed using the same process and standards for reviewing Board recommended candidates, including the board membership criteria set forth in these guidelines.

Any stockholder candidate must be independent of the nominating stockholder in all respects (i.e., free of any material personal, professional, financial or business relationships from the nominating stockholder), as determined by the Nominating and Corporate Governance Committee or by applicable law. Any stockholder candidate must also meet the definition of an "independent director" under applicable Nasdaq rules.

8. Majority Vote Policy

As provided in the Company's Bylaws, all elections of directors at which a quorum is present shall be determined by a majority of the votes cast, provided

that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the votes cast. As provided in the Bylaws, a “majority of the votes cast” means that the number of shares voted “for” a director exceeds the number of the votes cast “against” a director. If a director is not elected, the director shall tender his or her resignation to the Board of Directors. The Nominating and Corporate Governance Committee will make a recommendation to the Board of Directors on whether to accept or reject such director’s resignation. The Board of Directors will act on the Nominating and Corporate Governance Committee’s recommendation and publicly disclose its decision and the rationale behind it within ninety (90) days from the date of the certification of the election results. The Nominating and Corporate Governance Committee in making its recommendation and the Board of Directors in making its decision may each consider any factors or other information that they consider appropriate and relevant. The director who tenders his or her resignation will not participate in the recommendation of the Nominating and Corporate Governance Committee or the Board of Directors’ decision with respect to his or her resignation.

If a director’s resignation is accepted by the Board of Directors pursuant to the Bylaws, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill the resulting vacancy or may decrease the size of the Board of Directors, in both cases as provided in the Bylaws.

9. Lead Independent Director

An independent director selected annually by the independent directors (the “Lead Independent Director”) will preside at meetings of the non-management and independent directors, and all meetings of the Board at which the Chairman of the Board is not present, and will perform such other functions as the Board may direct, including advising on the selection of committee chairs and advising management on the agenda for Board meetings. The Lead Independent Director will serve as liaison between the Chairman of the Board and the independent directors and will have the authority to call meetings of the independent directors.

10. Board Member Orientation

Orientation materials will be made available and appropriate meetings will be held to acquaint new directors with the business, history, current circumstances, key issues and top managers of the Company.

11. Frequency of Board Meetings; Attendance

Currently, the Board has five regular meetings each year, with additional meetings as required. The Board considers its current meeting schedule to be adequate, but the number of regular meetings may be adjusted as necessary to meet changing conditions and needs. A calendar of Board meetings will be developed and circulated as far in advance as practicable. Members are expected to attend all meetings barring special circumstances.

12. Selection of Agenda Items for Board Meetings

The Chief Executive Officer, together with appropriate members of Management, develops the agenda for Board meetings. The agenda is circulated in advance and Board members may suggest additional items for consideration.

13. Board Materials Distributed in Advance

As much information and data as practical on the meeting agenda items and the Company's financial performance is sent to Board members in advance of meetings.

14. Executive Sessions of Outside Directors

At each meeting of the Board, the agenda generally includes time at the beginning of the meeting for an executive session with only non-employee directors and the Chief Executive Officer present, and time at the end of the meeting for another executive session with only independent directors. At least a majority of Board and Board committee meetings will include an executive session of independent directors.

15. Board Access to Senior Management

All Board members have access to senior management, with the expectation that such contact would be minimally disruptive to the business operation of the Company. The Chief Executive Officer is encouraged to invite to Board meetings

senior managers who can provide additional insight into business matters being discussed and those with high future potential who should be given personal exposure to members of the Board.

16. Board Access to Independent Advisors.

The Board and each of the Board committees, consistent with their respective charters, have the authority to retain such outside counsel, experts and other advisors as they determine appropriate to assist them in the full performance of their functions.

17. Assignment and Rotation of Committee Members

The Nominating and Corporate Governance Committee is responsible for reviewing and recommending to the Board the assignment of directors to various committees. The Nominating and Corporate Governance Committee will also recommend to the Board, subject to applicable membership requirements and as practical, an appropriate rotation process to ensure diversity of Board member experience and variety of exposure to the affairs of the Company. However, the Board does not have a firm policy mandating rotation of committee assignments since special knowledge or experience may warrant a particular director serving for an extended period on one committee.

18. Frequency and Length of Committee Meetings

Generally, committees meet in conjunction with regular Board meetings.

Committee chairpersons may also call meetings when they deem it necessary.

Committee meetings may be as frequent and as long as needed.

19. Committee Agenda

The agenda for committee meetings is developed by Committee Chairpersons in consultation with appropriate members of Management. Generally, the agenda for each meeting will be circulated in advance and Committee members may suggest additional items for consideration.

20. Board Compensation Review

The Nominating and Corporate Governance Committee of the Board will periodically review the Board's compensation in relation to other corporate companies nationwide. Any changes in Board compensation will be recommended by the Nominating and Corporate Governance Committee and approved by the Board.

21. Assessing Board and Committee Performance

The Nominating and Corporate Governance Committee will conduct an annual assessment of the overall effectiveness of the organization of the Board and the Board's performance of its governance responsibilities. The Nominating and Corporate Governance Committee will report its findings to the whole Board for discussion. Each of the Board committees will also conduct an annual self-assessment.

22. Directors Who Change Their Job Responsibilities

A Board member, including the Chief Executive Officer, who ceases to be actively employed in his or her principal business or profession, or experiences other changed circumstances that could pose a conflict of interest, diminish his or her effectiveness as a Board member, or otherwise be detrimental to the Company, is expected to offer his or her resignation to the Board. The Board in its discretion will determine whether such member should continue to serve as a director for an unexpired term or any future terms.

23. Term Limits/Retirement Age

No term limits for directors have been established. It is the policy of the Board to only nominate for service as directors of the Company individuals who shall be 75 years of age or younger on the date of the election of such individual as a director.

24. Selection of the Chairman and Chief Executive Officer

The Board elects the Chairman and Chief Executive Officer in the manner and based on the criteria that it deems appropriate and in the best interests of the Company given the circumstances at the time of such election.

25. Formal Evaluation of the Chief Executive Officer

Each year, the chairpersons of the Nominating and Corporate Governance

Committee and the Compensation and Executive Development Committee will conduct a formal evaluation of the Chief Executive Officer's performance based on appropriate quantitative and qualitative criteria.

26. Succession Planning

The Chief Executive Officer will annually review succession planning with the Compensation and Executive Development Committee, and provide the Board with a continuing current recommendation as to succession in the event of that officer's termination of employment, disability or death. The Chief Executive Officer also will provide the Compensation and Executive Development Committee with an assessment of persons considered potential successors to other senior management positions, including a review of any development plans recommended for such individuals. The results of these reviews will be reported to and discussed with the Board on a regular basis.

27. Board Interaction with Institutional Investors, the Media and Customers

The responsibility for communications and relationships on behalf of the Company with institutional investors, the media, and customers should be Management's.

28. Board and Executive Officer Stock Ownership

- a. Board of Directors. To help align the Board's interests with the interests of the Company's stockholders, each non-executive Board Member is

required to acquire and maintain a minimum amount of shares of the Company's Common Stock during the term of his or her service on the Board equal to one (1) times a Board member's targeted annual base compensation. Board members shall have a period of four years from the date on which their Board service begins in which to attain the required ownership level.

- b. Executive Officers. One of the goals of the Company's executive compensation program is alignment with the interests of its stockholders. Accordingly, in 2007, the Company adopted stock ownership guidelines for its executive officers. These guidelines are intended to encourage retention and align the financial interests of these executives with those of the Company's stockholders. The executive officer stock ownership guidelines are based on a multiple of base salary equal to four (4) times base salary for the Chief Executive Officer, two (2) times base salary for each concept or division President and Chief Financial Officer, and one (1) times base salary for the each Chief Operating Officer and other executive officers as determined by the Nominating and Corporate Governance Committee. Each executive has four years from the later of (a) the initiation of the program in 2007 or (b) the time they become an executive officer subject to these stock ownership guidelines to comply with the same.

c. Calculating Stock Ownership. Owned shares (including shares which have vested under restricted stock grants), vested in-the-money stock options and vested restricted stock units shall be counted as stock equivalents for purposes of meeting the ownership guidelines, whereas unvested options, the unvested portion of restricted stock awards, unvested restricted stock units and all restricted cash units shall not count toward meeting such guidelines. The value of such shares and stock equivalents shall be: (i) the aggregate purchase price paid for shares purchased in the market or through the Employee Stock Purchase Program, (ii) the value of the shares on the vesting date in the case of restricted shares or restricted stock units, and (iii) the positive difference between the market value (as determined by the closing price on NASDAQ) and the exercise price of stock options on the date of vesting. Once established, the value of the owned shares and stock equivalents (for purposes of the stock ownership guidelines) shall not be affected, positively or negatively, by stock price on any other date.

29. Limitation on Service on Other Public Company Boards

In addition to their service on the Company's Board of Directors, Board members shall serve on no more than three other Boards of Directors of publicly traded companies, unless such limitation is waived by a majority of the other Board members. Moreover, the Chief Executive Officer of the Company shall not

accept any Board position, public or private, without the approval of the Nominating and Corporate Governance Committee of the Board of Directors of the Company.

30. Oversight of Risk.

The Board's role in the Company's risk oversight process includes receiving regular reports from members of management on areas of material risk to the Company, including operational, financial, legal and regulatory. The Board receives these reports from the appropriate member of management to enable it to understand the Company's risk identification, risk management and risk mitigation strategies. The Board encourages management to promote a corporate culture that incorporates risk management into the Company's business operations. The Board has delegated oversight of specific risk topics to the various Committees of the Board.

31. Ethics and Compliance.

The Company will maintain, and the Nominating and Corporate Committee will oversee compliance with, a code of business conduct and ethics (known as the Business Ethics Policy) for its employees, including its executive officers, and directors. The full text of the Business Ethics Policy will be posted on the Company's website. The Company will disclose on its website any substantive amendment to the Business Ethics Policy, as well as any waiver of the Business Ethics Policy applicable to any principal executive officer, principal financial

officer, principal accounting officer or controller, or persons performing similar functions and relating to (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) full, fair, accurate, timely, and understandable disclosure in reports and documents that a registrant files with, or submits to, the Commission and in other public communications made by the registrant; (iii) compliance with applicable governmental laws, rules and regulations; (iv) the prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and (v) accountability for adherence to the code. Any waiver from the Business Ethics Policy requested for an executive officer or director requires the approval of the Nominating and Corporate Governance Committee.

32. Related Party Transactions.

The Company will maintain a policy governing the evaluation, consideration and approval of related party transaction. The Audit Committee will be responsible for reviewing and approving this related party policy and procedures, including the approval or ratification of related-party transactions.

33. Communications from Stockholders and other Interested Parties.

The Board, or as applicable, any committee of the Board or any individual Board member or the non-management Board members as a group, will give appropriate attention to written communications on issues submitted by stockholders or other

interested parties, and will respond if appropriate. Communications to directors must be in writing and sent in care of the Company's Corporate Secretary to the Company's headquarters address or delivered via e-mail to an e-mail address established by the Corporate Secretary's office for this purpose. The name(s) of any specific intended Board recipient(s) should be noted in the communication. The Company shall disclose the Company mailing address and e-mail address for such communications in its proxy statement for each annual meeting and on its website.

The Company's Corporate Secretary shall be responsible for and oversee the receipt and processing of stockholder communications to Board members. An acknowledgement of receipt shall be sent by the Corporate Secretary or Assistant Secretary to each stockholder submitting a communication. The Company's Corporate Secretary shall retain a copy of each communication for one year from the date of its receipt by the Company. The Corporate Secretary will not distribute communications to the Board that are unrelated to the duties and responsibilities of the Board, such as: spam, junk mail and mass mailings, business solicitations and advertisements, ordinary-course business or employee claims or litigation matters, communications that advocate the Company's engaging in illegal activities or that, under community standards, contain offensive, scurrilous or abusive content.

34. Annual Review.

The Nominating and Corporate Governance Committee is responsible for reviewing these principles and practices at least annually and making recommendations for appropriate changes to the Board.

Reviewed and reaffirmed: October 18, 2011