

**CHARTER OF THE
NOMINATING AND GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS OF
DIAMOND FOODS, INC.**

As adopted March 10, 2005

I. PURPOSE

The purpose of the Nominating and Governance Committee (“*Committee*”) of the Board of Directors (“*Board*”) of Diamond Foods, Inc., a Delaware corporation (“*Company*”) is to assist the Board with respect to corporate governance matters. The Committee’s principal functions are to:

- make recommendations regarding the structure and composition of the Board and committees of the Board.
- identify, evaluate and nominate candidates for appointment or election as members of the Board; and
- develop, recommend and evaluate a code of conduct and ethics applicable to all employees, officers and directors of the Company and one applicable to the Chief Executive Officer and senior Finance Department personnel.

II. MEMBERSHIP

The Committee will consist of two or more members of the Board, with the exact number determined from time to time by the Board. Each member of the Committee will be an “independent director” as defined under the applicable rules and regulations of The NASDAQ Stock Market, as they may be amended from time to time (“*Rules*”), except as may otherwise be permitted by such Rules.

All members of the Committee will be appointed by, and will serve at the discretion of, the Board. Unless a chairperson is elected by the Board, the members of the Committee may designate a chairperson by majority vote of the Committee members.

III. RESPONSIBILITIES AND DUTIES

The principal duties of the Committee in carrying out its responsibilities are set forth below. These duties are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

The Committee will:

1. Make recommendations to the Board regarding the structure and operations, size, and composition of the Board and committees of the Board, committee member qualifications, committee member appointment and removal, and reporting by committees to the Board.
2. Identify and recruit qualified candidates to serve as members of the Board, and oversee inquiries into the backgrounds and qualifications of potential candidates for membership on the Board.
3. Recommend to the Board all nominees to serve as members of the Board before they are appointed by the Board or proposed by the Board for election by the stockholders. In connection with making such decisions, the Committee will consider nominations properly submitted by the Company's stockholders in accordance with the rules and regulations of the Securities and Exchange Commission and the procedures set forth in the Company's Certificate of Incorporation, Bylaws and any policy adopted by the Company with regard to any director candidates recommended for nomination by the Company's stockholders. The Committee will recommend to the Board a policy and procedures with regard to the consideration of any director candidates recommended for nomination by the Company's stockholders.
4. Determine on an ongoing basis the desired qualifications, expertise and characteristics of the Board, with the goal of developing a diverse and experienced Board. The Committee will, in the context of the existing composition and needs of the Board and its committees, consider various factors, including independence, diversity, age, integrity, skills, financial and other expertise, breadth of experience, knowledge about the Company's business or industry, and willingness to devote adequate time and effort to Board responsibilities.
5. Develop and recommend to the Board codes of conduct and ethics applicable to employees, officers and directors of the Company that comply with the rules and regulations of the Securities and Exchange Commission and The NASDAQ Stock Market. The Committee will review such codes of conduct and ethics applicable to the Company on at least an annual basis and recommend any changes to the Board.
6. Recommend that the Board establish special committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise.
7. Periodically review the Company's insider trading policy and recommend any changes for approval by the Board.
8. Review and reassess the adequacy of the Committee's charter at least annually, and recommend to the Board any changes the Committee determines are appropriate.
9. Evaluate the Committee's composition and performance on an annual basis and submit a report to the Board.
10. Have the authority and right, at the expense of the Company, to retain legal and other consultants, experts and advisers of its choice, including search firms used to identify candidates to serve as members of the Board, to assist the Committee in connection with its

functions. The Committee will have the authority to approve the fees and other retention terms of such advisers. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any such advisers retained by the Committee and for ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions.

11. Perform any other activities required by applicable law, rules or regulations, including the rules of the Securities and Exchange Commission and any exchange or market on which the Company's capital stock is traded, and may perform other activities that are consistent with this charter, the Company's Certificate of Incorporation and Bylaws, and applicable laws, rules or regulations as the Committee or the Board deems necessary or appropriate.

IV. MEETINGS AND MINUTES

Meetings of the Committee will be held from time to time in response to the needs of the Board or as otherwise determined by the chairperson of the Committee. The Committee will report to the Board from time to time with respect to the activities of the Committee. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held telephonically. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee will maintain written minutes of its meetings and copies of its actions by written consent, and will file such minutes and copies of written consents with the minutes of the meetings of the Board.