

**CHARTER OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**  
**OF THE BOARD OF DIRECTORS OF**  
**OTONOMY, INC.**

(Adopted on July 2, 2014 and  
effective as of the Company's initial public offering)

**PURPOSE**

The purpose of the Corporate Governance and Nominating Committee of the Board of Directors (the "**Board**") of Otonomy, Inc. (the "**Company**") is to:

- Assist the Board in identifying individuals who are qualified to become members of the Board in accordance with criteria approved by the Board and select, or recommend to the Board that the Board select, specified individuals as the director nominees for each meeting of stockholders at which directors are to be elected.
- Recommend members for each Board committee.
- Develop and maintain corporate governance policies applicable to the Company, including the Company's Corporate Governance Guidelines.
- Oversee the evaluation of the Board of the Company.

**COMPOSITION**

1. Membership and Appointment. The Corporate Governance and Nominating Committee shall consist of at least two members of the Board. Members of the Corporate Governance and Nominating Committee shall be appointed by the Board and may be removed by the Board in its discretion.
2. Qualifications. The members of the Corporate Governance and Nominating Committee must meet the independence requirements of the securities exchange on which the Company's securities are listed and such other qualifications as may be established by the Board from time to time; provided, however, that the Company may avail itself of any phase-in rules or interpretations applicable to newly-listed companies in connection with an initial public offering.
3. Chairperson. The Board may designate a chairperson of the Corporate Governance and Nominating Committee. In the absence of that designation, the Corporate Governance and Nominating Committee may designate a chairperson by majority vote of the Corporate Governance and Nominating Committee members.

**RESPONSIBILITIES**

The following are the principal recurring responsibilities of the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee may perform such other functions as are consistent with its purpose and applicable law, rules and regulations and as the Board may request.

1. Board Composition, Evaluation and Nominating Activities. The Corporate Governance and Nominating Committee shall:
  - Determine the qualifications, qualities, skills and other expertise required to be a director and to develop, and recommend to the Board for its approval, criteria to be considered in selecting nominees for director (the "**Director Criteria**").

- Evaluate the current composition, organization and governance of the Board and its committees, determine future requirements and make recommendations to the Board for approval consistent with the Director Criteria.
- Search for, identify, evaluate and select, or recommend for selection by the Board, candidates to fill new positions or vacancies on the Board consistent with the Director Criteria, and review any candidates recommended by stockholders, provided such stockholder recommendations are made in compliance with the Company's bylaws and its stockholder nominations and recommendations policies and procedures.
- Review and consider any nominations of director candidates validly made by stockholders in accordance with applicable laws, rules and regulations and the provisions of the Company's certificate of incorporation and bylaws.
- Evaluate the performance of individual members of the Board eligible for re-election, and select, or recommend for the selection of the Board, the director nominees by class for election to the Board by the stockholders at the annual meeting of stockholders or any special meeting of stockholders at which directors are to be elected.
- Consider the Board's leadership structure, including the separation of the Chairman and Chief Executive Officer roles and/or appointment of a lead independent director of the Board, either permanently or for specific purposes, and make such recommendations to the Board with respect thereto as the Corporate Governance and Nominating Committee deems appropriate.
- Develop and review periodically the policies and procedures for considering stockholder nominees for election to the Board.
- Evaluate the "independence" of directors and director nominees against the independence requirements of the securities exchange on which the Company's securities are listed, applicable rules and regulations promulgated by the Securities and Exchange Commission and other applicable laws.

2. Board Committees. The Corporate Governance and Nominating Committee shall:

- Review annually the structure and composition of each committee of the Board and make recommendations, if any, to the Board for changes to the committees of the Board, including changes in structure, composition or mandate of committees, as well as the creation or dissolution of committees.
- Recommend to the Board persons to be members and chairpersons of the various committees.

3. Corporate Governance. The Corporate Governance and Nominating Committee shall:

- Develop and recommend to the Board a set of corporate governance guidelines applicable to the Company.
- Review annually the corporate governance guidelines approved by the Board and their application, and recommend any changes deemed appropriate to the Board for its consideration.
- Oversee the Company's corporate governance practices, including reviewing and recommending to the Board for approval any changes to the Company's corporate governance framework, including its certificate of incorporation and bylaws.
- Develop, subject to approval by the Board, a process for an annual evaluation of the Board and its committees, and to oversee the conduct of this annual evaluation.

- Conduct a periodic review of the Company’s succession planning process for the chief executive officer (“CEO”) and any other members of the Company’s executive management team, report its findings and recommendations to the Board, and assist the Board in evaluating potential successors to the CEO or other members of the Company’s executive management team.
  - Evaluate the participation of members of the Board in orientation and continuing education activities in accordance with applicable listing standards.
  - Review the disclosure included in the Company’s proxy statement regarding the Company’s director nomination process and other corporate governance matters.
  - Review any proposals properly submitted by stockholders for action at the annual meeting of stockholders and make recommendations to the Board regarding action to be taken in response to each such proposal.
  - Review the disclosure regarding the operations of the Corporate Governance and Nominating Committee and director independence, to be included in the Company’s proxy statement or annual report on Form 10-K.
4. Conflicts of Interest. The Corporate Governance and Nominating Committee shall:
- Review and monitor compliance with the Company’s Code of Business Ethics and Conduct.
  - Consider questions of possible conflicts of interest of Board members and of corporate officers.
  - Review actual and potential conflicts of interest of Board members and corporate officers, other than related party transactions reviewed by the Audit Committee.
5. Committee Charter Review. The Corporate Governance and Nominating Committee shall review and reassess the adequacy of this charter annually and shall submit any recommended changes to the charter to the Board for approval.
6. Performance Review. The Corporate Governance and Nominating Committee shall review and assess the performance of the Corporate Governance and Nominating Committee on an annual basis.

## **MEETINGS AND PROCEDURES**

1. Meetings.
- The Corporate Governance and Nominating Committee will meet at least two times per year at such times and places as the Committee determines. The chairperson of the Corporate Governance and Nominating Committee shall preside at each meeting. The chairperson will approve the agenda for the Corporate Governance and Nominating Committee’s meetings and any member may suggest items for consideration. If a chairperson is not designated or present, an acting chair may be designated by the Corporate Governance and Nominating Committee members present. The Corporate Governance and Nominating Committee may act by unanimous written consent (which may include electronic consent) in lieu of a meeting in accordance with the Company’s bylaws.
  - The Corporate Governance and Nominating Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.
  - The Corporate Governance and Nominating Committee may invite to its meetings any director, officer or employee of the Company and such other persons as it deems appropriate in order to carry out its responsibilities.

2. Reporting to the Board of Directors. The Corporate Governance and Nominating Committee shall report regularly to the Board regarding its activities and recommendations.
3. Authority to Retain Advisors. The Corporate Governance and Nominating Committee shall have the authority, in its sole discretion, to select and retain any internal or independent counsel, search firms and any other expert consultants or advisors to assist with the execution of its duties and responsibilities as set forth in this charter. The Corporate Governance and Nominating Committee shall set the compensation and oversee the work of any such consultants or advisors. The Company will provide appropriate funding, as determined by the Corporate Governance and Nominating Committee, to pay any such search firms or any other outside advisors hired by the Corporate Governance and Nominating Committee and any administrative expenses of the Corporate Governance and Nominating Committee that are necessary or appropriate in carrying out its activities.
4. Subcommittees. The Corporate Governance and Nominating Committee may form subcommittees for any purpose that the Corporate Governance and Nominating Committee deems appropriate and may delegate to such subcommittees such power and authority as the Corporate Governance and Nominating Committee deems appropriate. If designated, each such subcommittee will establish its own schedule and maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Corporate Governance and Nominating Committee shall not delegate to a subcommittee any power or authority required by law, regulation or listing standard to be exercised by the Corporate Governance and Nominating Committee as a whole.
5. Compensation. Members of the Corporate Governance and Nominating Committee shall receive such fees, if any, for their service as committee members as may be determined by the Board in its sole discretion.