

Savel Robert Michael II  
 Form 4  
 January 23, 2018

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Savel Robert Michael II

2. Issuer Name and Ticker or Trading Symbol  
 OTONOMY, INC. [OTIC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 C/O OTONOMY, INC., 4796 EXECUTIVE DRIVE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/19/2018

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Chief Technical Officer

SAN DIEGO, CA 92121  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Code V Amount (D) Price   |  |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities Acquired | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|---|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|---|--|---|

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| (Instr. 3)                           | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | (A) or (D) | Disposed of (Instr. 3, 4, and 5) | Date Exercisable | Expiration Date | Title      | Amount or Number of Shares |        |
|--------------------------------------|------------------------------|------------------|------------|------------|----------------------------------|------------------|-----------------|------------|----------------------------|--------|
|                                      |                              |                  | Code       | V          | (A)                              | (D)              |                 |            |                            |        |
| Employee Stock Option (right to buy) | \$ 34.12                     | 01/19/2018       | D          |            | 30,000                           |                  | (1)             | 12/10/2024 | Common Stock               | 30,000 |
| Employee Stock Option (right to buy) | \$ 14.44                     | 01/19/2018       | D          |            | 55,000                           |                  | (4)             | 02/28/2026 | Common Stock               | 55,000 |
| Employee Stock Option (right to buy) | \$ 14                        | 01/19/2018       | D          |            | 50,000                           |                  | (6)             | 03/05/2027 | Common Stock               | 50,000 |
| Employee Stock Option (right to buy) | \$ 5.675                     | 01/19/2018       | A          |            | 20,000                           |                  | (8)             | 01/18/2026 | Common Stock               | 20,000 |
| Employee Stock Option (right to buy) | \$ 5.675                     | 01/19/2018       | A          |            | 36,666                           |                  | (9)             | 01/18/2026 | Common Stock               | 36,666 |
| Employee Stock Option (right to buy) | \$ 5.675                     | 01/19/2018       | A          |            | 33,333                           |                  | (10)            | 01/18/2026 | Common Stock               | 33,333 |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                         |       |
|---|---------------|-----------|-------------------------|-------|
|   | Director      | 10% Owner | Officer                 | Other |
| Savel Robert Michael II<br>C/O OTONOMY, INC.<br>4796 EXECUTIVE DRIVE<br>SAN DIEGO, CA 92121 |               |           | Chief Technical Officer |       |

## Signatures

/s/ Paul E. Cayer, by power of  
attorney

01/23/2018

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) One-fourth (1/4) of the shares subject to the option vest on December 11, 2015 and one forty-eighth (1/48) of the shares vest monthly thereafter.  
  
On January 19, 2018, in connection with the Issuer's option exchange program, the Issuer cancelled an option for 30,000 shares of common stock granted to the Reporting Person on December 11, 2014. In exchange, the Reporting Person received an option grant for 20,000 shares of common stock with exercise price of \$5.675 per share.
- (2) In addition to the options acquired and disposed of as set forth in Table II, the Reporting Person currently holds options to purchase up to an aggregate of 112,041 shares of common stock, which options vest according to their terms.
- (3) One-fourth (1/4) of the shares subject to the option vest on March 1, 2017 and one forty-eighth (1/48) of the shares vest monthly thereafter.  
  
On January 19, 2018, in connection with the Issuer's option exchange program, the Issuer cancelled an option for 55,000 shares of common stock granted to the Reporting Person on March 1, 2016. In exchange, the Reporting Person received an option grant for 36,666 shares of common stock with exercise price of \$5.675 per share.
- (4) One-fourth (1/4) of the shares subject to the option vest on March 6, 2018 and one forty-eighth (1/48) of the shares vest monthly thereafter.  
  
On January 19, 2018, in connection with the Issuer's option exchange program, the Issuer cancelled an option for 50,000 shares of common stock granted to the Reporting Person on March 6, 2017. In exchange, the Reporting Person received an option grant for 33,333 shares of common stock with exercise price of \$5.675 per share.
- (5) Of the 20,000 total shares subject to the option, 17,917 shares vest on January 19, 2019. Of the remaining 2,083 shares subject to the option, one-third (1/3) of these shares vest on January 19, 2019, and one thirty-sixth (1/36) of these shares vest monthly thereafter.
- (6) Of the 36,666 total shares subject to the option, 21,388 shares vest on January 19, 2019. Of the remaining 15,278 shares subject to the option, one-third (1/3) of these shares vest on January 19, 2019, and one thirty-sixth (1/36) of these shares vest monthly thereafter.
- (7) Of the 33,333 total shares subject to the option, 11,111 shares vest on January 19, 2019. Of the remaining 22,222 shares subject to the option, one-third (1/3) of these shares vest on January 19, 2019, and one thirty-sixth (1/36) of these shares vest monthly thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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