

TERCICA, INC.

CHARTER OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS

(Amended November 23, 2004)

PURPOSES:

The Corporate Governance and Nominating Committee (“CGC”) of the Board of Directors (the “Board”) of Tercica, Inc. (the “Company”) will monitor the composition of the Board and, when appropriate, seek, screen and recommend for nomination qualified candidates for election to the Board at the Company’s Annual Meeting of Stockholders. In addition, the CGC will seek qualified candidates to fill vacancies on the Board subject to appointment by the Board. The CGC will evaluate candidates identified on its own initiative as well as candidates referred to it by other members of the Board, by the Company’s management, by stockholders who submit names to the Company’s Secretary for referral to the CGC, or by other external sources. The CGC will also evaluate the Board’s structure and practices and, when appropriate, recommend new policies to the full Board.

NOMINATION/APPOINTMENT POLICY:

The Board believes that it is in the best interests of the Company and its stockholders to obtain highly qualified candidates to the Board. The CGC will seek for nomination and appointment candidates with excellent decision-making ability, business experience, relevant expertise, personal integrity and reputation.

MEMBERSHIP:

The CGC will consist of a minimum of three members of the Board, each of whom shall be an “independent director” within the meaning of Rule 4200 of the Manual of the National Association of Securities Dealers, Inc. The members of the CGC will be appointed by and serve at the discretion of the Board.

RESPONSIBILITIES:

The responsibilities of the CGC shall include the following:

- Reviewing Board structure, composition, and practices, and making recommendations on these matters to the Board;
- Reviewing, soliciting and making recommendations to the Board and stockholders of the Company with respect to candidates for election to the Board;
- Overseeing compliance by the Company’s chief executive officer and senior financial officers with the Code of Ethics for Principal Executive and Senior Financial Officers, as adopted by the Company;

- Overseeing compliance by the Company's employees with Code of Business Conduct and Ethics, as adopted by the Company;
- Establishing procedures for receiving, retaining and treating complaints received by the Company regarding its practices (except with respect to accounting, internal accounting controls or auditing matters, which such matters shall be forwarded to the Audit Committee) and procedures for the confidential, anonymous submission by employees of concerns regarding questionable practices (except with respect to accounting or auditing matters, which such matters shall be forwarded to the Audit Committee);
- Overseeing and monitoring the Company's compliance with legal and regulatory requirements, except as compliance relates to financial statements or accounting matters (which is the duty of the Audit Committee);
- Reviewing management's monitoring of compliance with the Company's standards of business conduct and with the Foreign Corrupt Practices Act;
- Reviewing with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues with respect to all matters other than with respect to the Company's financial statements or accounting policies (which is the duty of the Audit Committee);
- Reviewing the findings of any examination by regulatory agencies other than with respect to the Company's financial statements or accounting policies (which is the duty of the Audit Committee);
- If necessary, instituting special investigations with full access to all books, records, facilities and personnel of the Company, other than with respect to financial statements or accounting policies (which is the duty of the Audit Committee); and
- Performing such other tasks as may be delegated to it from time to time by the Board.

MEETINGS:

Meetings of the CGC will be held at the pleasure of the Board and the members of the CGC, from time to time, in response to needs of the Board.

MINUTES:

The CGC will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

REPORTS:

The CGC will summarize its examinations and recommendations to the Board as may be appropriate, consistent with the CGC's charter.

COMPENSATION:

Members of the CGC shall receive such fees for their service as CGC members as may be determined by the Board in its sole discretion. Such fees may include retainers or per meeting fees. Fees may be paid in such form of consideration as is determined by the Board.