

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

December 20, 2010

NEOPROBE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

0-26520

31-1080091

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

425 Metro Place North, Suite 300, Columbus, Ohio

43017

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

(614) 793-7500

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Employment Agreements with Executive Officers

On December 20, 2010, Neoprobe Corporation (the "Company") entered into employment agreements, to be effective January 1, 2011, with: (a) Brent L. Larson, the Company's Senior Vice President, Chief Financial Officer, Treasurer and Secretary; (b) Anthony K. Blair, the Company's Vice President, Manufacturing Operations; and (c) Frederick O. Cope, Ph.D., the Company's Senior Vice President, Pharmaceutical Research and Clinical Development. On November 15, 2010, the Company entered into an employment agreement with Mark J. Pykett, V.M.D, Ph.D., the Company's Executive Vice President and Chief Development Officer. Mr. Larson and Dr. Cope are "named executive officers" as that term is defined in Item 402(m)(2) of Regulation S-K promulgated under the Securities Act of 1933, as amended ("Item 402"). The employment agreements between the Company and Messrs. Larson and Blair, and Dr. Cope, have stated terms of 24 months, each commencing January 1, 2011, and terminating December 31, 2012. The employment agreement between the Company and Dr. Pykett has a stated term commencing November 15, 2010, and terminating December 31, 2011. The following is a description of the substantially identical material terms of the aforementioned employment agreements.

Each employee receives an annual base salary as set forth on the schedule filed herewith as Exhibit 10.2, which schedule sets forth the material details in which each individual employment agreement differs from the form filed herewith as Exhibit 10.1. Each employee may also receive an annual bonus at the discretion of the Board of Directors of the Company, in accordance with any bonus plan adopted by the Company's Compensation, Governance and Nominating Committee (the "Committee"). The employment agreements also provide for the employees' participation in the Company's employee benefit programs, stock based incentive compensation plans and other benefits as described in the form of employment agreement filed herewith as Exhibit 10.1.

In the event of termination of an employee for "cause" (as that term is defined in the form of employment agreement filed herewith as Exhibit 10.1), all salary, benefits and other payments shall cease at the time of termination, and the Company shall have no further obligations to the employee. If an employee resigns for any reason other than a "Change of Control" (as that term is defined in the form of employment agreement filed herewith as Exhibit 10.1) as described below, all salary, benefits and other payments shall cease at the time such resignation becomes effective. If an employee dies or his employment is terminated because of disability, all salary, benefits and other payments shall cease at the time of death or disability, provided, however, that the Company shall continue to provide any of Drs. Cope and Pykett or Messrs. Blair and Larson, with such health, dental and similar insurance or benefits as were provided to Drs. Cope and Pykett or Messrs. Blair and Larson, respectively, immediately before his termination, for the longer of 12 months after such termination or the full unexpired term of his employment agreement.

In the event of the termination of any of the aforementioned employees by the Company without "cause," the Company shall, at the time of such termination, pay to the employee the respective severance amount set forth on Exhibit 10.2, together with the value of any accrued but unused vacation time, and the amount of all accrued but previously unpaid base salary through the date of such termination. Additionally, the Company shall continue to provide Drs. Cope and Pykett or Messrs. Blair and Larson, with the benefits provided to each pursuant to the Company's employee benefit plans for the longer of 12 months or the full unexpired term of his employment agreement.

The Company also must pay severance, under certain circumstances, in the event of a Change of Control. The employment agreements provide that if there is a Change in Control and an employee is concurrently or subsequently terminated (a) by the Company without cause, (b) by the expiration of the term of his employment agreement, or (c) by the resignation of the employee because he has reasonably determined in good faith that his titles, authorities, responsibilities, salary, bonus opportunities or benefits have been materially diminished, that a material adverse change in his working conditions has occurred, that his services are no longer required in light of the Company's business plan, or the Company has breached his employment agreement, the Company shall pay the employee the appropriate Change of Control severance set forth on Exhibit 10.2, together with the value of any accrued but unused vacation time, and the amount of all accrued but previously unpaid base salary through the date of termination and shall continue to provide to any of Drs. Cope and Pykett or Messrs. Blair and Larson, the benefits provided to them pursuant to the Company's employee benefit plans for the longer of 12 months after such termination or the full unexpired term of his employment agreement.

Each employment agreement also contains non-competition and non-solicitation covenants. These covenants, as described in the form of employment agreement filed herewith as Exhibit 10.1, are effective during employment and for a period of 12 months following termination of employment.

The foregoing description of the employment agreements between the Company and Drs. Cope and Pykett or Messrs. Blair and Larson, is qualified in its entirety by reference to the full text of the form of employment agreement, a copy of which is attached hereto as Exhibit 10.1 and which is incorporated herein by reference.

2011 Cash Bonus Goals for Executive Officers

The Committee has approved the award of cash bonuses to the executive officers listed in the table below, to be paid in the first quarter of 2012 in amounts to be determined by the Committee upon achievement of the following corporate bonus objectives established by the Committee, and subject to reduction if the goals are not achieved:

- Achievement of specified 2011 annual revenue and gross margin goals for the Company's medical device and radiopharmaceutical product lines, subject to 20% reduction of bonus if not achieved.
- Completion of Phase 3 clinical activities for Lymphoseek, a proprietary radioactive lymphatic mapping targeting agent being developed by the Company, and the successful filing of a new drug application with the United States Food and Drug Administration (the "FDA") for Lymphoseek, subject to 40% reduction of bonus if not achieved.
- The successful development and implementation of a clinical development plan and strategy for a product utilizing the Company's RIGS® technology, with either the FDA or the European Medicines Agency ("EMA"), the centralized regulatory agency for the European Union, subject to 30% reduction of bonus if not achieved
- Discretionary bonus, equal to 10% of the total bonus objective.

Messrs. Bupp and Larson, and Dr. Cope, are "named executive officers" as that term is defined in Item 402. The final amount of any cash bonus to be paid to the executive officers will be subject to the determination of the Committee at a meeting to be held after the delivery of the financial statements of the Company for the year ending December 31, 2011, and adjusted by the weighting percentage, if any, of the overall corporate objectives which were not achieved.

<u>Name</u>	<u>Position</u>	<u>2011 Maximum Cash Bonus Amount</u>
David C. Bupp	President and Chief Executive Officer	\$150,000
Mark J. Pykett, V.M.D., Ph.D.	Executive Vice President and Chief Development Officer	\$97,500
Frederick O. Cope, Ph.D.	Senior Vice President, Pharmaceutical Research and Clinical Development	\$65,000
Brent L. Larson	Senior Vice President, Chief Financial Officer, Treasurer and Secretary	\$45,000
Anthony K. Blair	Vice President, Manufacturing Operations	\$35,000

Principal Executive Officer Base Salary Adjustment and Restricted Stock Grant

Pursuant to the terms of the Employment Agreement, effective January 1, 2010, between the Company and David C. Bupp, the Company's President and Chief Executive Officer (the "Bupp Employment Agreement"), on December 20, 2010, the Board of Directors of the Company (the "Board") approved an increase in Mr. Bupp's base salary from \$355,000 to \$400,000 per year. The Board also approved the grant of 300,000 restricted shares of the Company's common stock to Mr. Bupp. The Company granted the restricted stock in accordance with the provisions of the Neoprobe Corporation Second Amended and Restated 2002 Stock Incentive Plan. In connection with the grant of the restricted stock, the Company entered into a restricted stock award agreement with Mr. Bupp in the form attached as Exhibit 10.3 to the Company's Current Report on Form 8-K filed January 9, 2008. Pursuant to the terms of the restricted stock agreement, the restricted stock shall vest upon the approval by the FDA of a clinical program for a product utilizing the Company's RIGS® technology, or the approval of the marketing authorization for a RIGS® technology product by the EMA, or, in the event of the termination of Mr. Bupp's employment with the Company without "cause," at the end of the "Term," or in the event of a "Change of Control," as those terms are defined in the form of the Bupp Employment Agreement filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, dated January 1, 2010.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.1 *	Form of Employment Agreement. This Agreement is one of four substantially identical employment agreements and is accompanied by a schedule which identifies material details in which each individual agreement differs from the form filed herewith.
10.2 *	Schedule identifying material differences between the employment agreements.

*Filed Herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Neoprobe Corporation

Date: December 27, 2010

By: /s/ Brent L. Larson
Brent L. Larson, Senior Vice President and
Chief Financial Officer

EMPLOYMENT AGREEMENT

This Employment Agreement is made and entered into effective as of January 1, 2011 (the "Effective Date"), by and between **Neoprobe Corporation**, a Delaware Corporation with a place of business at 425 Metro Place North, Suite 300, Dublin, Ohio 43017-1367 (the "Company") and [] (the "Employee").

WHEREAS, the Company and the Employee wish to establish new terms, covenants, and conditions for the Employee's continued employment with the Company through this agreement ("Employment Agreement").

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the parties hereto agree as follows:

1. **Duties.** From and after the Effective Date, and based upon the terms and conditions set forth herein, the Company agrees to employ the Employee and the Employee agrees to be employed by the Company, as [] of the Company and in such equivalent, additional or higher executive level position or positions as shall be assigned to him by the Company's President and CEO. While serving in such executive level position or positions, the Employee shall report to, be responsible to, and shall take direction from the President and CEO of the Company. During the Term of this Employment Agreement (as defined in Section 2 below), the Employee agrees to devote substantially all of his working time to the position he holds with the Company and to faithfully, industriously, and to the best of his ability, experience and talent, perform the duties that are assigned to him. The Employee shall observe and abide by the reasonable corporate policies and decisions of the Company in all business matters disclosed to employee.

The Employee represents and warrants to the Company that Exhibit A attached hereto sets forth a true and complete list of (a) all offices, directorships and other positions held by the Employee in corporations and firms other than the Company and its subsidiaries and (b) any investment or ownership interest in any corporation or firm other than the Company beneficially owned by the Employee (excluding investments in life insurance policies, bank deposits, publicly traded securities that are less than five percent (5%) of their class and real estate). The Employee will promptly notify the Board of Directors of the Company of any additional positions undertaken or investments made by the Employee during the Term of this Employment Agreement if they are of a type that if they had existed on the date hereof, should have been listed on Exhibit A hereto. As long as the Employee's other positions or investments in other firms do not create a conflict of interest, violate the Employee's obligations under Section 7 below or cause the Employee to neglect his duties hereunder, such activities and positions shall not be deemed to be a breach of this Employment Agreement.

2. **Term of this Employment Agreement.** Subject to Sections 4 and 5 hereof, the Term of this Employment Agreement shall be for a period [].
3. **Compensation.** During the Term of this Employment Agreement, the Company shall pay, and the Employee agrees to accept as full consideration for the services to be rendered by the Employee hereunder, compensation consisting of the following:
 - A. **Salary.** Beginning on the first day of the Term of this Employment Agreement, the Company shall pay the Employee a salary of [] per year, payable in semi-monthly or monthly installments as requested by the Employee.
 - B. **Bonus.** The Compensation, Nominating and Governance Committee (the "Committee") of the Board of Directors will, on an annual basis, review the performance of the Company and of the Employee and will pay such bonus, as it deems appropriate, in its discretion, to the Employee based upon such review. Such review and bonus shall be consistent with any bonus plan adopted by the Compensation Committee, which covers the executive officers and employees of the Company generally.
 - C. **Benefits.** During the Term of this Employment Agreement, the Employee will receive such employee benefits as are generally available to all employees of the Company.
 - D. **Stock Options.** The Committee of the Board of Directors may, from time-to-time, grant stock options, restricted stock purchase opportunities and such other forms of stock-based incentive compensation as it deems appropriate, in its discretion, to the Employee under the Company's Second Amended and Restated 2002 Stock Incentive Plan (the "2002 Plan"). The terms of the relevant award agreements shall govern the rights of the Employee and the Company there under in the event of any conflict between such agreement and this Employment Agreement.

- E. **Vacation.** The Employee shall be entitled to [] days of vacation during each calendar year during the Term of this Employment Agreement.
- F. **Expenses.** The Company shall reimburse the Employee for all reasonable out-of-pocket expenses incurred by him in the performance of his duties hereunder, including expenses for travel, entertainment and similar items, promptly after the presentation by the Employee, from time-to-time, of an itemized account of such expenses.
- G. **Clawback Policy.** The Company's obligation to pay any bonus or stock-based incentive compensation under paragraphs B. or D. of this Section 3, and the Employee's right to receive or retain such compensation, shall be subject to any policy adopted by the Board of Directors or its Compensation, Nominating and Governance Committee (or any successor committee of the Board of Directors with authority over executive compensation) pursuant to the "clawback" provisions of Section 304 of the Sarbanes-Oxley Act of 2002, Section 10D of the Securities Exchange Act of 1934, or regulations promulgated thereunder, or pursuant to any rule of any national securities exchange on which the equity securities of the Company are listed implementing Section 10D of the Securities Exchange Act of 1934, or regulations promulgated thereunder.

4. **Termination.**

- A. **For Cause.** The Company may terminate the employment of the Employee prior to the end of the Term of this Employment Agreement "for cause." Termination "for cause" shall be defined as a termination by the Company of the employment of the Employee occasioned by the failure by the Employee to cure a willful breach of a material duty imposed on the Employee under this Employment Agreement within 15 days after written notice thereof by the Company or the continuation by the Employee after written notice by the Company of a willful and continued neglect of a duty imposed on the Employee under this Employment Agreement. In the event of termination by the Company "for cause," all salary, benefits and other payments shall cease at the time of termination, and the Company shall have no further obligations to the Employee.
- B. **Resignation.** If the Employee resigns for any reason, all salary, benefits and other payments (except as otherwise provided in paragraph G of this Section 4 below) shall cease at the time such resignation becomes effective. At the time of any such resignation, the Company shall pay the Employee the value of any accrued but unused vacation time, and the amount of all accrued but previously unpaid base salary through the date of such termination. The Company shall promptly reimburse the Employee for the amount of any expenses incurred prior to such termination by the Employee as required under paragraph F of Section 3 above.
- C. **Disability, Death.** The Company may terminate the employment of the Employee prior to the end of the Term of this Employment Agreement if the Employee has been unable to perform his duties hereunder or a similar job for a continuous period of six (6) months due to a physical or mental condition that, in the opinion of a licensed physician, will be of indefinite duration or is without a reasonable probability of recovery for a period of at least six (6) months. The Employee agrees to submit to an examination by a licensed physician of his choice in order to obtain such opinion, at the request of the Company, made after the Employee has been absent from his place of employment for at least six (6) months. The Company shall pay for any requested examination. However, this provision does not abrogate either the Company's or the Employee's rights and obligations pursuant to the Family and Medical Leave Act of 1993, and a termination of employment under this paragraph C shall not be deemed to be a termination for cause.

If during the Term of this Employment Agreement, the Employee dies or his employment is terminated because of his disability, all salary, benefits and other payments shall cease at the time of death or disability, provided, however, that the Company shall provide such health, dental and similar insurance or benefits as were provided to Employee immediately before his termination by reason of death or disability, to Employee or his family for the longer of twelve (12) months after such termination or the full unexpired Term of this Employment Agreement on the same terms and conditions (including cost) as were applicable before such termination. In addition, for the first six (6) months of disability, the Company shall pay to the Employee the difference, if any, between any cash benefits received by the Employee from a Company-sponsored disability insurance policy and the Employee's salary hereunder in accordance with paragraph A of Section 3 above. At the time of any such termination, the Company shall pay the Employee, the value of any accrued but unused vacation time, and the amount of all accrued but previously unpaid base salary through the date of such termination. The Company shall promptly reimburse the Employee for the amount of any expenses incurred prior to such termination by the Employee as required under paragraph F of Section 3 above.

Notwithstanding the foregoing, if the Company reasonably determines that any of the benefits described in this paragraph C may not be exempt from federal income tax, then for a period of six (6) months after the date of the Employee's termination, the Employee shall pay to the Company an amount equal to the stated taxable cost of such coverages. After the expiration of the six-month period, the Employee shall receive from the Company a reimbursement of the amounts paid by the Employee.

Termination without Cause. A termination without cause is a termination of the employment of the Employee by the Company that is not "for cause" and not occasioned by the resignation, death or disability of the Employee. If the Company terminates the employment of the Employee without cause, (whether before the end of the Term of this Employment Agreement or, if the Employee is employed by the Company under paragraph E of this Section 4 below, after the Term of this Employment Agreement has ended) the Company shall, at the time of such termination, pay to the Employee the severance payment provided in paragraph F of this Section 4 below together with the value of any accrued but unused vacation time and the amount of all accrued but previously unpaid base salary through the date of such termination and shall provide him with all of his benefits under paragraph C of Section 3 above for the greater of twelve (12) months or the full unexpired term of the employment agreement. The Company shall promptly reimburse the Employee for the amount of any expenses incurred prior to such termination by the Employee as required under paragraph F of Section 3 above.

If the Company terminates the employment of the Employee because it has ceased to do business or substantially completed the liquidation of its assets or because it has relocated to another city and the Employee has decided not to relocate also, such termination of employment shall be deemed to be without cause.

- E. End of the Term of this Employment Agreement.** Except as otherwise provided in paragraphs F and G of this Section 4 below, the Company may terminate the employment of the Employee at the end of the Term of this Employment Agreement without any liability on the part of the Company to the Employee but, if the Employee continues to be an employee of the Company after the Term of this Employment Agreement ends, his employment shall be governed by the terms and conditions of this Agreement, but he shall be an employee at will and his employment may be terminated at any time by either the Company or the Employee without notice and for any reason not prohibited by law or no reason at all. If the Company terminates the employment of the Employee at the end of the Term of this Employment Agreement, the Company shall, at the time of such termination, pay to the Employee the severance payment provided in paragraph F of this Section 4 below together with the value of any accrued but unused vacation time and the amount of all accrued but previously unpaid base salary through the date of such termination. The Company shall promptly reimburse the Employee for the amount of any reasonable expenses incurred prior to such termination by the Employee as required under paragraph F of Section 3 above.
- F. Severance.** If the employment of the Employee is terminated by the Company, at the end of the Term of this Employment Agreement or, without cause (whether before the end of the Term of this Employment Agreement or, if the Employee is employed by the Company under paragraph E of this Section 4 above, after the Term of this Employment Agreement has ended), the Employee shall be paid, as a severance payment at the time of such termination, the amount of [] together with the value of any accrued but unused vacation time.
- G. Change of Control Severance.** In addition to the rights of the Employee under the Company's employee benefit plans (paragraphs C of Section 3 above) but in lieu of any severance payment under paragraph F of this Section 4 above, if there is a Change in Control of the Company (as defined below) and the employment of the Employee is concurrently or subsequently terminated (a) by the Company without cause, (b) by the expiration of the Term of this Employment Agreement, or (c) by the resignation of the Employee because he has reasonably determined in good faith that his titles, authorities, responsibilities, salary, bonus opportunities or benefits have been materially diminished, that a material adverse change in his working conditions has occurred, that his services are no longer required in light of the Company's business plan, or the Company has breached this Employment Agreement, the Company shall pay the Employee, as a severance payment, at the time of such termination, the amount of [] together with the value of any accrued but unused vacation time, and the amount of all accrued but previously unpaid base salary through the date of termination and shall provide him with all of this benefits under paragraph C of Section 3 above for the longer of twelve (12) months or the full un-expired Term of this Employment Agreement. The Company shall promptly reimburse the Employee for the amount of any expenses incurred prior to such termination by the Employee as required under paragraph F of Section 3 above.

For the purpose of this Employment Agreement, a Change in Control of the Company has occurred when: (a) any person (defined for the purposes of this paragraph G to mean any person within the meaning of Section 13 (d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than Neoprobe, an employee benefit plan created by its Board of Directors for the benefit of its employees, or a participant in a transaction approved by its Board of Directors for the principal purpose of raising additional capital, either directly or indirectly, acquires beneficial ownership (determined under Rule 13d-3 of the Regulations promulgated by the Securities and Exchange Commission under Section 13(d) of the Exchange Act) of securities issued by Neoprobe having thirty percent (30%) or more of the voting power of all the voting securities issued by Neoprobe in the election of Directors at the next meeting of the holders of voting securities to be held for such purpose; (b) a majority of the Directors elected at any meeting of the holders of voting securities of Neoprobe are persons who were not nominated for such election by the Board of Directors or a duly constituted committee of the Board of Directors having authority in such matters; (c) the stockholders of Neoprobe approve a merger or consolidation of Neoprobe with another person other than a merger or consolidation in which the holders of Neoprobe's voting securities issued and outstanding immediately before such merger or consolidation continue to hold voting securities in the surviving or resulting corporation (in the same relative proportions to each other as existed before such event) comprising eighty percent (80%) or more of the voting power for all purposes of the surviving or resulting corporation; or (d) the stockholders of Neoprobe approve a transfer of substantially all of the assets of Neoprobe to another person other than a transfer to a transferee, eighty percent (80%) or more of the voting power of which is owned or controlled by Neoprobe or by the holders of Neoprobe's voting securities issued and outstanding immediately before such transfer in the same relative proportions to each other as existed before such event. The parties hereto agree that for the purpose of determining the time when a Change of Control has occurred that if any transaction results from a definite proposal that was made before the end of the Term of this Employment Agreement but which continued until after the end of the Term of this Employment Agreement and such transaction is consummated after the end of the Term of this Employment Agreement, such transaction shall be deemed to have occurred when the definite proposal was made for the purposes of the first sentence of this paragraph G of this Section 4. Notwithstanding the foregoing, before the Employee may resign pursuant to Section 4(G) (c) above, the Employee shall deliver to the Company a written notice of the Employee's intent to terminate his employment pursuant to Section 4(G)(c), and the Company shall have been given a reasonable opportunity to cure any such act, omission or condition within Thirty (30) days after the Company's receipt of such notice.

H. **Benefit and Stock Plans.** In the event that a benefit plan or Stock Plan which covers the Employee has specific provisions concerning termination of employment, or the death or disability of an employee (*e.g.*, life insurance or disability insurance), then such benefit plan or Stock Plan shall control the disposition of the benefits or stock options.

5. **Proprietary Information Agreement.** Employee has executed a Proprietary Information Agreement as a condition of employment with the Company. The Proprietary Information Agreement shall not be limited by this Employment Agreement in any manner, and the Employee shall act in accordance with the provisions of the Proprietary Information Agreement at all times during the Term of this Employment Agreement.

6. **Non-Competition.** Employee agrees that for so long as he is employed by the Company under this Employment Agreement and for one (1) year thereafter, the Employee will not:

- A. enter into the employ of or render any services to any person, firm, or corporation, which is engaged, in any part, in a Competitive Business (as defined below);
- B. engage in any directly Competitive Business for his own account;
- C. become associated with or interested in through retention or by employment any Competitive Business as an individual, partner, shareholder, creditor, director, officer, principal, agent, employee, trustee, consultant, advisor, or in any other relationship or capacity; or
- D. solicit, interfere with, or endeavor to entice away from the Company, any of its customers, strategic partners, or sources of supply.

Nothing in this Employment Agreement shall preclude Employee from taking employment in the banking or related financial services industries nor from investing his personal assets in the securities or any Competitive Business if such securities are traded on a national stock exchange or in the over-the-counter market and if such investment does not result in his beneficially owning, at any time, more than one percent (1%) of the publicly-traded equity securities of such Competitive Business. "Competitive Business" for purposes of this Employment Agreement shall mean any business or enterprise which:

- a. is engaged in the development and/or commercialization of gamma radiation detection products and/or systems for use in intraoperative detection of cancer, or
- b. reasonably understood to be competitive in the relevant market with products and/or systems described in clause *a* above, or
- c. the Company engages in during the Term of this Employment Agreement pursuant to a determination of the Board of Directors and from which the Company derives a material amount of revenue or in which the Company has made a material capital investment.

The covenant set forth in this Section 6 shall terminate immediately upon the substantial completion of the liquidation of assets of the Company or the termination of the employment of the Employee by the Company without cause or at the end of the Term of this Employment Agreement.

7. **Arbitration.** Any dispute or controversy arising under or in connection with this Employment Agreement shall be settled exclusively by arbitration in Columbus, Ohio, in accordance with the non-union employment arbitration rules of the American Arbitration Association ("AAA") then in effect. If specific non-union employment dispute rules are not in effect, then AAA commercial arbitration rules shall govern the dispute. If the amount claimed exceeds \$100,000, the arbitration shall be before a panel of three arbitrators. Judgment may be entered on the arbitrator's award in any court having jurisdiction. The Company shall indemnify the Employee against and hold him harmless from any attorney's fees, court costs and other expenses incurred by the Employee in connection with the preparation, commencement, prosecution, defense, or enforcement of any arbitration, award, confirmation or judgment in order to assert or defend any right or obtain any payment under paragraph C of Section 4 above or under this sentence; without regard to the success of the Employee or his attorney in any such arbitration or proceeding.
8. **Governing Law.** The Employment Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.
9. **Validity.** The invalidity or unenforceability of any provision or provisions of this Employment Agreement shall not affect the validity or enforceability of any other provision of the Employment Agreement, which shall remain in full force and effect.
10. **Compliance with Section 409A of the Internal Revenue Code.** For purposes of this Agreement, the Employee's employment with the Company will be considered to have terminated only if such termination constitutes a "separation from service" as defined under Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the "Code"). If, when the Employee's employment with the Company terminates, the Employee is a "specified employee" as defined in Section 409A(a)(2)(B)(i) of the Code, and if any payments under this Employment Agreement, including payments under Section 4, will result in additional tax or interest to the Employee under Section 409A(a)(1)(B) ("Section 409A Penalties"), then despite any provision of this Employment Agreement to the contrary, the Employee will not be entitled to payments until the earliest of (a) the date that is at least six months after termination of the Employee's employment for reasons other than the Employee's death, (b) the date of the Employee's death, or (c) any earlier date that does not result in Section 409A Penalties to the Employee. As soon as practicable after the end of the period during which payments are delayed under this provision, the entire amount of the delayed payments shall be paid to the Employee in a lump sum. Additionally, if any provision of this Employment Agreement would subject the Employee to Section 409A Penalties, the Company will apply such provision in a manner consistent with Section 409A of the Code during any period in which an arrangement is permitted to comply operationally with Section 409A of the Code and before a formal amendment to this Employment Agreement is required.
11. **Entire Agreement.** This Employment Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements. This Employment Agreement may not be amended except in writing executed by the parties hereto.

12. **Effect on Successors of Interest.** This Employment Agreement shall inure to the benefit of and be binding upon heirs, administrators, executors, successors and assigns of each of the parties hereto. Notwithstanding the above, the Employee recognizes and agrees that his obligation under this Employment Agreement may not be assigned without the consent of the Company.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Employment Agreement as of the date first written above.

NEOPROBE CORPORATION

EMPLOYEE

By: _____

David C. Bupp, President and CEO

[]

SCHEDULE IDENTIFYING MATERIAL DIFFERENCES BETWEEN
EMPLOYMENT AGREEMENTS
BETWEEN NEOPROBE CORPORATION AND
THE INDIVIDUALS LISTED BELOW

	<u>Commencement Date</u>	<u>Termination Date</u>	<u>2011 Base Salary</u>	<u>Amount of Severance</u>	<u>Amount of Severance upon change of control</u>
Frederick O. Cope	1/1/2011	12/31/2012	\$245,000	\$245,000	\$367,500
Mark J. Pykett	11/15/2010	12/31/2011	\$325,000	\$162,500	Greater of: (a) 30 months salary; or (b) \$650,000
Brent L. Larson	1/1/2011	12/31/2012	\$207,000	\$207,000	\$310,500
Anthony K. Blair	1/1/2011	12/31/2012	\$195,000	\$195,000	\$292,500
