

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) October 13, 2014

NAVIDEA BIOPHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>001-35076</u> (Commission File Number)	<u>31-1080091</u> (IRS Employer Identification No.)
--	---	---

<u>5600 Blazer Parkway, Suite 200, Dublin, Ohio</u> (Address of principal executive offices)	<u>43017</u> (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 5.01 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers

On October 15, 2014, Navidea Biopharmaceuticals, Inc. (the “Company”) issued a press release announcing that its Board of Directors has appointed Mr. Ricardo J. Gonzalez as the new Chief Executive Officer of the Company, effective October 13, 2014. A copy of the complete text of the Company’s October 15, 2014 press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Mr. Gonzalez, 43, has more than 20 years of experience in the pharmaceutical industry, and most recently served as Vice President, Global Operations at Spectrum Pharmaceuticals, a biotechnology company focused on oncology and hematology. Mr. Gonzalez began his tenure at Spectrum in 2008 as Director, Strategic Business Services, and thereafter was appointed to positions of increasing seniority and responsibility, focusing on product development, commercialization, pharmaceutical sales, marketing and operations, as well as licensing and industry partnerships. Prior to Spectrum, Mr. Gonzalez was a Regional Accounts Manager, Product Manager and Sales Manager for Abraxis Oncology, and served in various sales and marketing positions for Genzyme Therapeutics, Corixa Corporation, Ligand Pharmaceuticals, Roche Laboratories and GlaxoSmithKline. Mr. Gonzalez graduated from Penn State University in 1992 with a B.S. in Business Logistics and served in the U.S. Army Reserve.

In connection with the Board of Directors’ appointment of Mr. Gonzalez as Chief Executive Officer, the Company and Mr. Gonzalez have entered into an employment agreement (the “Employment Agreement”), with an effective date of October 13, 2014, and as an inducement to Mr. Gonzalez joining the Company and as additional compensation, the Board of Directors awarded him options to purchase 1,000,000 shares of the Company’s common stock at an exercise price of \$1.26 per share pursuant to a stock option agreement dated October 13, 2014 (the “Option Agreement”).

The Employment Agreement has a three-year term commencing on October 13, 2014 and terminating on October 12, 2017, unless terminated earlier under the Employment Agreement. The Employment Agreement provides for Mr. Gonzalez to receive an annual base salary of \$375,000. The Compensation, Nominating and Governance Committee of the Board of Directors (“Committee”) will review Mr. Gonzalez’ base salary on an annual basis and may increase, but not decrease, the base salary at its discretion. Mr. Gonzalez may also receive an annual bonus at the discretion of the Committee, based on achievement of annual target performance goals established by the Committee, with a target bonus equal to 50% of base salary. For the calendar year ending December 31, 2014, the Committee may award a bonus pro-rated based upon the number of days of employment of Mr. Gonzalez in 2014. The Employment Agreement also provides for Mr. Gonzalez’ participation in the Company’s employee benefit programs, stock based incentive compensation plans and other benefits as described in the Employment Agreement.

In the event the Company terminates Mr. Gonzalez’ employment “for cause,” all salary, benefits and other payments shall cease at the time of termination, and the Company shall have no further obligations to Mr. Gonzalez. If Mr. Gonzalez resigns, for any reason other than under certain circumstances described in the Employment Agreement following a “Change of Control” (as that term is defined in the Employment Agreement), all salary, benefits and other payments shall cease at the time such resignation becomes effective. If Mr. Gonzalez’ employment is terminated because of death or disability, all salary, benefits and other payments shall cease at the time of death or disability, provided, however, that the Company shall pay Mr. Gonzalez or his estate with such payments or benefits as he or his estate are entitled to receive under benefit plans or programs of the Company, for the longer of 12 months after such termination or the full unexpired term of the Employment Agreement. In addition, for the first six months of any disability, the Company shall pay to Mr. Gonzalez the difference, if any, between the cash benefits received by Mr. Gonzalez from a Company-sponsored disability insurance policy and his salary under the Employment Agreement.

In the event the Company terminates Mr. Gonzalez’ employment without cause or at the end of the term of the Employment Agreement, the Company shall, at the time of such termination, pay to Mr. Gonzalez as severance, the amount of \$375,000, 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 Mr. Gonzalez with all of the benefits provided to him pursuant to the Company’s employee benefit plans for the longer of 18 months or the full unexpired term of the Employment Agreement.

The Company must also pay Mr. Gonzalez severance, under certain circumstances, in the event of a Change of Control. The Employment Agreement provides that if there is a Change in Control and Mr. Gonzalez’ employment is concurrently or subsequently terminated: (a) by the Company without cause; (b) by the expiration of the term of the Employment Agreement, or (c) by the resignation of Mr. Gonzalez 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 the Employment Agreement, the Company shall pay to Mr. Gonzalez the amount of \$750,000, 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 the benefits provided to him pursuant to the Company’s employee benefit plans for the longer of 12 months or the full unexpired term of the Employment Agreement.

Pursuant to the Option Agreement, Mr. Gonzalez was granted options to purchase 1,000,000 shares of the Company's common stock at an exercise price of \$1.26 per share, the closing market price on October 10, 2014. The options vest and become exercisable in three tranches, subject to Mr. Gonzalez's continued employment by the Company. The first tranche of 300,000 shares vests on the first anniversary of the date of grant. The second tranche of 300,000 shares vests on or after the second anniversary of the date of grant, provided that this tranche will not be exercisable unless and until the average closing price per share of the Company's common stock for the ten trading days prior to exercise equals or exceeds \$2.50 per share. The third tranche of 400,000 shares vests on or after the third anniversary of the grant date, provided that this tranche will not be exercisable unless and until the average closing price per share of the Company's common stock for the ten trading days prior to exercise equals or exceeds \$3.50 per share.

The Committee and the independent members of the Board of Directors approved the stock option award in reliance on the employment inducement exception to shareholder approval requirements contained in Rule 711 of the NYSE MKT governance rules.

The foregoing description of the terms of the Employment Agreement and the Option Agreement is qualified in its entirety by reference to the full text of the Employment Agreement and the Option Agreement, copies of which are attached hereto as Exhibits 10.1 and 10.2, respectively, and each of which is incorporated herein in its entirety by reference.

Item 8.01. Other Events.

On October 15, 2014, the Company issued a press release announcing the appointment of Mr. Gonzalez as Chief Executive Officer and the grant to him of inducement options. A copy of the Company's October 15, 2014, press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

*Exhibit
Number*

Exhibit Description

10.1	Employment Agreement, dated October 13, 2014, between Navidea Biopharmaceuticals, Inc. and Ricardo J. Gonzalez.
10.2	Stock Option Agreement, dated October 13, 2014, between Navidea Biopharmaceuticals, Inc. and Ricardo J. Gonzalez
99.1	Navidea Biopharmaceuticals, Inc. press release dated October 15, 2014, entitled "Navidea Announces Rick Gonzalez as New Chief Executive Officer."

Statements contained or incorporated by reference in this Current Report on Form 8-K which relate to other than strictly historical facts, such as statements about the Company's plans and strategies, expectations for future financial performance, new and existing products and technologies, and markets for the Company's products, are forward-looking statements. The words "believe," "expect," "anticipate," "estimate," "project," and similar expressions identify forward-looking statements that speak only as of the date hereof. Investors are cautioned that such statements involve risks and uncertainties that could cause actual results to differ materially from historical or anticipated results due to many factors including, but not limited to, the Company's continuing operating losses, uncertainty of market acceptance, reliance on third party manufacturers, accumulated deficit, future capital needs, uncertainty of capital funding, dependence on limited product line and distribution channels, competition, limited marketing and manufacturing experience, and other risks detailed in the Company's most recent Annual Report on Form 10-K and other filings with the United States Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

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.

Navidea Biopharmaceuticals, Inc.

Date: October 15, 2014

By: /s/ Brent L. Larson

Brent L. Larson, Executive Vice President and
Chief Financial Officer

EMPLOYMENT AGREEMENT

This Employment Agreement is made and entered into effective as of October 13, 2014, (the "Effective Date"), by and between **Navidea Biopharmaceuticals, Inc.**, a Delaware corporation with a place of business at 5600 Blazer Parkway, Suite 200, Dublin, Ohio 43017-7550 (the "Company" or "Navidea") and **Ricardo Gonzalez**, residing at 19360 SW 30th St., Miramar, FL 33029 (the "Executive"). The Company and Executive are hereinafter sometimes collectively referred to as the "Parties."

WHEREAS, the Company has offered to employ Executive as its Chief Executive Officer, and the Executive desires to accept such employment; and

WHEREAS, the Parties wish to establish terms, covenants, and conditions for the Executive's employment with the Company through this Employment Agreement (the "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 Executive and the Executive agrees to be employed by the Company, as the Company's President and Chief Executive Officer and in such additional executive level position or positions as shall be assigned to him by the Company's Board of Directors. While serving in such executive level position or positions, the Executive shall report to, be responsible to, and shall take direction from the Board of Directors of the Company (the "Board"). The Executive shall, if requested, also serve as a member of Board or as an officer or director of any affiliate of the Company for no additional compensation. During the Term of this Agreement (as defined in Section 2 below), the Executive 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 Executive shall also observe and abide by the reasonable corporate policies and decisions of the Company in all business matters.

The Executive 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 Executive 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 Executive (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 Executive will promptly notify the Board of Directors of the Company of any additional positions undertaken or investments made by the Executive during the Term of this Agreement if they are of a type which, if they had existed on the date hereof, should have been listed on Exhibit A hereto. As long as the Executive's other positions or investments in other firms do not create a conflict of interest, violate the Executive's obligations under Section 7 below or cause the Executive to neglect his duties hereunder, such activities and positions shall not be deemed to be a breach of this Agreement.

2. **Term of this Agreement.** Subject to Sections 4 and 5 hereof, the Term of this Agreement shall be for a period commencing on October 13, 2014 and terminating October 13, 2017 (the "Term"), unless terminated earlier pursuant to the termination provisions set forth in Section 4 of this Agreement.
 3. **Compensation.** During the Term, the Company shall pay, and the Executive agrees to accept as full consideration for the services to be rendered by the Executive hereunder, compensation consisting of the following:
-

- A. **Salary.** Beginning on the first day of the Term, the Company shall pay the Executive a salary of Three Hundred Seventy-Five Thousand Dollars (\$375,000) per year, payable in semi-monthly or monthly installments as requested by the Executive (the "Base Salary"). The Compensation, Nominating and Governance Committee of the Board of Directors (the "Committee") shall review the Executive's Base Salary on an annual basis and may increase, but not decrease, the Base Salary at its discretion.
- B. **Bonus.** For each complete calendar year of the Term, the Executive shall have the opportunity to earn an annual bonus (the "Annual Bonus") equal to 50% of Base Salary (the "Target Bonus"), as in effect at the beginning of the applicable calendar year, based on achievement of annual target performance goals established by the Committee. The Committee will, on an annual basis, review the performance of the Company and of the Executive in relation to the target performance goals and will pay such Annual Bonus, as it deems appropriate, in its discretion, to the Executive based upon such review. Any bonus earned in any calendar year will be payable in the first calendar quarter of the following calendar year. For the period beginning on the Effective Date and ending on the last day of 2014, the Executive shall be eligible to receive a prorated Annual Bonus (calculated as the Annual Bonus that would have been paid for the entire calendar year multiplied by a fraction the numerator of which is equal to the number of days the Executive worked in the calendar year and the denominator of which is equal to 365 days). In order to be eligible to receive an Annual Bonus, the Executive must be employed by the Company on the last day of the applicable calendar year with respect to which the Annual Bonuses is to be paid.
- C. **Benefits.** During the Term of this Agreement, the Executive will receive such employee benefits as are generally available to all employees of the Company.
- D. **Stock Options.** The Committee may, from time to time, grant to the Executive stock options, restricted stock purchase opportunities and such other forms of equity-based incentive compensation as it deems appropriate, in its discretion, under the Company's 2014 Stock Incentive Plan (the "Stock Plan"). Additionally, in consideration of entering this Agreement and as an inducement to Executive joining the Company, the Committee will grant Executive non-statutory stock options to purchase 1,000,000 shares of the Company's common stock, \$0.001 par value, at the closing market price on the trading day immediately preceding Effective Date, to become vested and exercisable in three tranches. The first tranche of 300,000 shares will vest and become exercisable on the first anniversary of the Effective Date. The second tranche of 300,000 shares will vest and become exercisable on or after the second anniversary of the Effective Date, provided that the options will not be exercisable unless and until the average closing price per share of the Company's stock for the ten trading days prior to exercise equals or exceeds \$2.50 per share. The third tranche of 400,000 shares will vest and become exercisable on or after the third anniversary of the date of grant, provided that the options would not be exercisable unless and until the average closing price per share of the Company's stock for the ten trading days prior to exercise equals or exceeds \$3.50 per share. All awards of equity incentives shall be governed by a separate equity incentive award agreement, the terms of which shall govern the rights of the Executive and the Company in the event of any conflict between such agreement and this Agreement.
- E. **Vacation.** The Executive shall be entitled to twenty-five (25) days of vacation during each calendar year (prorated for partial years) during the Term of this Agreement, in accordance with the Company's vacation policies, as in effect from time to time.
- F. **Expenses.** The Company shall reimburse the Executive 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 Executive, 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 Executive's right to receive or retain such compensation, shall be subject to any policy adopted by the Board of Directors or the 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 Executive prior to the end of the Term of this Agreement "for cause." Termination "for cause" shall be defined as a termination by the Company of the employment of the Executive occasioned by:

- i. the failure by the Executive to cure a willful breach of a material duty imposed on the Executive under this Agreement or any other written agreement between Executive and the Company within 15 days after written notice thereof by the Company;
- ii. the continuation by the Executive after written notice by the Company of a willful and continued neglect of a duty imposed on the Executive under this Agreement;
- iii. acts by Executive of fraud, embezzlement, theft or other material dishonesty directed against Navidea;
- iv. the Executive is formally charged with a felony (other than a traffic offense), or a crime involving moral turpitude, that in the reasonable good faith judgment of the Board of Directors, results in material damage to the Company or its reputation, or would materially interfere with the performance of Executive's obligations under this Agreement; or
- v. any condition which either results from the Executive's substantial dependence, as reasonably determined in good faith by the Board of Directors, on alcohol, or on any narcotic drug or other controlled or illegal substance.

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 Executive.

B. **Resignation.** If the Executive resigns for any reason, all salary, benefits and other payments (except as otherwise provided in paragraph G of this Section 4) shall cease at the time such resignation becomes effective. At the time of any such resignation, the Company shall pay the Executive 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 Executive for the amount of any expenses incurred prior to such termination by the Executive as required under paragraph F of Section 3 above.

C. **Disability, Death.** The Company may terminate the employment of the Executive prior to the end of the Term of this Agreement if the Executive 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 Executive 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 Executive 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 Executive'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 Agreement, the Executive dies or the Executive's employment is terminated because of the Executive's disability, all salary, benefits and other payments shall cease at the time of death or termination due to disability, provided, however, that the Company shall pay such other amounts or provide such other benefits required to be paid or provided to the Executive or the Executive's estate under any plan, program, policy, practice, contract, or arrangement in which the Executive or the Executive's estate is eligible to receive such payments or benefits from the Company, for the longer of twelve (12) months after such death or termination or the full unexpired Term of this Agreement on the same terms and conditions (including cost) as were applicable before such death or termination. In addition, for the first six (6) months of any disability, as defined under Section 409A of the Internal Revenue Code of 1986, as amended, and any guidance thereunder, that results in the Executive being unable to perform any gainful activity, the Company shall pay to the Executive the difference, if any, between any cash benefits received by the Executive from a Company-sponsored disability insurance policy and the Executive's salary hereunder in accordance with paragraph A of Section 3 above. At the time of any such termination, the Company shall pay the Executive or Executive's estate, 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 Executive or Executive's estate for the amount of any expenses incurred prior to such termination by the Executive 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 Executive's termination, the Executive 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 Executive or Executive's estate shall receive from the Company a reimbursement of the amounts paid by the Executive.

- D. **Termination Without Cause.** A termination "without cause" is a termination of the employment of the Executive by the Company that is not "for cause" and not occasioned by the resignation, death or disability of the Executive. If the Company terminates the employment of the Executive without cause (whether before the end of the Term of this Agreement or, if the Executive is employed by the Company under paragraph E of this Section 4, after the Term of this Agreement has ended), the Company shall, at the time of such termination, pay to the Executive the severance payment provided in paragraph F of this Section 4 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 benefits to which he is entitled under paragraph C of Section 3 above for the longer of eighteen (18) months or the full unexpired Term of this Agreement. The Company shall promptly reimburse the Executive for the amount of any expenses incurred prior to such termination by the Executive as required under paragraph F of Section 3.

If the Company terminates the employment of the Executive 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 Executive has decided not to relocate also, such termination of employment shall be deemed to be without cause.

- E. **End of the Term of this Agreement.** Except as otherwise provided in paragraphs F and G of this Section 4 below, the Company may terminate the employment of the Executive at the end of the Term of this Agreement without any liability on the part of the Company to the Executive, provided that if the Executive continues to be an employee of the Company after the Term of this 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 Executive without notice and for any reason not prohibited by law or no reason at all. If the Company terminates the employment of the Executive at the end of the Term of this Agreement, the Company shall, at the time of such termination, pay to the Executive the severance payment provided in paragraph F of this Section 4 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 Executive for the amount of any reasonable expenses incurred prior to such termination by the Executive as required under paragraph F of Section 3 above.

- F. **Severance.** If the employment of the Executive is terminated by the Company at the end of the Term of this Agreement, or if the employment of the Executive is terminated by the Company without cause (whether before the end of the Term of this Agreement or, if the Executive is employed by the Company under paragraph E of this Section 4 above, after the Term of this Agreement has ended), then the Executive shall be paid, as a severance payment at the time of such termination the amount of Three Hundred Seventy Five Thousand Dollars (\$375,000), together with the value of any accrued but unused vacation time.
- G. **Change of Control Severance.** In addition to the rights of the Executive under the Company's employee benefit plans (paragraph 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) during the Term and within six (6) months thereafter, the employment of the Executive is concurrently or subsequently terminated (i) by the Company without cause, (ii) by the expiration of the Term of this Agreement, or (iii) by the resignation of the Executive 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 Agreement, the Company shall pay the Executive, as a severance payment, at the time of such termination, the amount of Seven Hundred Fifty Thousand Dollars (\$750,000) 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 the Executive benefits under paragraph C of Section 3 above for the longer of twelve (12) months or the full unexpired Term of this Agreement. The Company shall promptly reimburse the Executive for the amount of any expenses incurred prior to such termination by the Executive as required under paragraph F of Section 3 above. Notwithstanding the foregoing, before the Executive may resign pursuant to clause (iii) of this paragraph, the Executive shall deliver to the Company a written notice of the Executive's intent to terminate his employment thereunder, 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.

For the purpose of this 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 Navidea, 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, or an Affiliate of such participant, 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 Navidea having thirty percent (30%) or more of the voting power of all the voting securities issued by Navidea 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 Navidea 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 Navidea approve a merger or consolidation of Navidea with another person other than a merger or consolidation in which the holders of Navidea'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 Navidea approve a transfer of substantially all of the assets of Navidea to another person other than: (i) a transfer to a transferee, eighty percent (80%) or more of the voting power of which is owned or controlled by Navidea or by the holders of Navidea's voting securities issued and outstanding immediately before such transfer in the same relative proportions to each other as existed before such event, or (ii) a transfer following which Navidea continues the operation of one or more lines of business that were operated by Navidea prior to the transfer, and a class of common stock of Navidea remains registered under Section 12 of the Securities Exchange Act of 1934. 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 Agreement but which continued until after the end of the Term of this Agreement and such transaction is consummated after the end of the Term of this 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 Section 4. Notwithstanding the foregoing, before the Executive may resign pursuant to clause (iii) of the first paragraph of this Section 4(G), the Executive shall deliver to the Company a written notice of the Executive's intent to terminate his employment thereunder, 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, Stock Plan or award agreement which covers the Executive 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, Stock Plan or award agreement shall control the disposition of the benefits or stock options.
- I. **Resignation of All Other Positions.** Upon termination of the Executive's employment hereunder for any reason, the Executive shall be deemed to have resigned from all positions that the Executive holds as an officer or member of the board of directors (or a committee thereof) of the Company or any of its affiliates.
- J. **Cooperation.** The parties agree that certain matters in which the Executive will be involved during the Term may necessitate the Executive's cooperation following termination of his employment. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board, the Executive shall cooperate with the Company in connection with matters arising out of the Executive's service to the Company; provided that, the Company shall make reasonable efforts to minimize disruption of the Executive's other activities. The Company shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that the Executive is required to spend substantial time on such matters, the Company shall compensate the Executive at an hourly rate based on the Executive's Base Salary on the date of termination.
5. **Proprietary Information Agreement.** Executive has executed a Proprietary Information Agreement as a condition of employment with the Company. The Proprietary Information Agreement shall not be limited by this Agreement in any manner, and the Executive shall act in accordance with the provisions of the Proprietary Information Agreement at all times during the Term of this Agreement.
6. **Non-Competition.** Executive agrees that for so long as he is employed by the Company under this Agreement and for one (1) year thereafter, the Executive 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 Agreement shall preclude Executive 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 Agreement shall mean any business or enterprise:

- a. which is engaged in the development, commercialization or distribution of drugs and/or systems for use in detection, diagnosis or treatment of cancer, inflammatory or immune-related diseases, including without limitation the development, commercialization or distribution of radiopharmaceuticals for such purposes, or
- b. which reasonably could be understood to be competitive in the relevant market with products and/or systems described in clause *a* above, or
- c. in which the Company engages in during the Term of this 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 Executive by the Company without cause or at the end of the Term of this Agreement.

- 7. **Arbitration.** Any dispute or controversy arising under or in connection with this 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 Executive against and hold him harmless from any attorney's fees, court costs and other expenses incurred by the Executive 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 Executive or his attorney in any such arbitration or proceeding.
- 8. **Attorneys' Fees and Expenses.** Except as otherwise provided in Section 7, in the event that any action, suit, or other legal or equitable proceeding is brought by either party to enforce the provisions of this Agreement, or to obtain money damages for the breach thereof, then the party which substantially prevails in such action (whether by judgment or settlement) shall be entitled to recover from the other party all reasonable expenses of such litigation (including any appeals), including, but not limited to, reasonable attorneys' fees and disbursements.

9. **Governing Law.** The Agreement shall be governed by and construed in accordance with the laws of the State of Ohio without regard to its conflicts of laws principles.
10. **Jurisdiction; Service of Process.** Except as otherwise provided in Section 7, any action or proceeding arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located in Franklin County, Ohio, and each of the parties irrevocably submits to the jurisdiction of each such court in any such action or proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the action or proceeding shall be heard and determined only in any such court and agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. The parties agree that either or both of them may file a copy of this Section with any court as written evidence of the knowing, voluntary and bargained agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Process in any action or proceeding referred to in the first sentence of this section may be served on any party anywhere in the world
11. **Waiver of Jury Trial.** THE PARTIES HEREBY UNCONDITIONALLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING DIRECTLY OR INDIRECTLY OUT OF, RELATED TO, OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OR BREACH OF THIS AGREEMENT, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN THEM. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court or other tribunal (including, without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS, OR MODIFICATIONS TO THIS AGREEMENT AND RELATED DOCUMENTS. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.
12. **Validity.** The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of the Agreement, which shall remain in full force and effect.
13. **Compliance with Section 409A of the Internal Revenue Code.** It is intended that this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and any guidance thereunder ("Section 409A"). If, when the Executive's employment with the Company terminates, the Executive is a "specified employee" as defined in Section 409A(a)(1)(B)(i), and if any payments under this Agreement, including payments under Section 4, will result in additional tax or interest to the Executive under Section 409A(a)(1)(B) ("Section 409A Penalties"), then despite any provision of this Agreement to the contrary, the Executive will not be entitled to payments until the earliest of (a) the date that is at least six months after termination of the Executive's employment for reasons other than the Executive's death, (b) the date of the Executive's death, or (c) any earlier date that does not result in Section 409A Penalties to the Executive. 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 Executive in a lump sum. Additionally, if any provision of this Agreement would subject the Executive to Section 409A Penalties, the Company will apply such provision in a manner consistent with Section 409A during any period in which an arrangement is permitted to comply operationally with Section 409A and before a formal amendment to this Agreement is required. For purposes of this Agreement, any reference to the Executive's termination of employment will mean that the Executive has incurred a "separation from service" under Section 409A. No payments to be made under this Agreement may be accelerated or deferred except as specifically permitted under Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A of the Code shall be paid under the applicable exception. Each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of Section 409A. To the extent that any reimbursements provided under this Agreement constitute deferred compensation subject to Section 409A, such amounts shall be paid or reimbursed to Executive promptly, but in no event later than December 31 of the year following the year in which the expense is incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and Executive's right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit.

14. **Entire Agreement.** This Agreement, together with the Proprietary Information Agreement referenced above, constitutes the entire understanding between the parties with respect to the subject matter hereof, and supersedes all negotiations, prior discussions, and preliminary agreements to this Agreement. This Agreement may not be amended except in writing executed by the parties hereto.
15. **Effect on Successors of Interest.** This 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 Executive recognizes and agrees that his obligation under this Agreement may not be assigned without the consent of the Company. The Company, however, may assign its rights and obligations under this Agreement.

[signature page follows]

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

NAVIDEA BIOPHARMACEUTICALS, INC.

EXECUTIVE

By: /s/ Gordon A. Troup
Gordon A. Troup
Chairman of the Board of Directors

/s/ Ricardo J. Gonzalez
Ricardo J. Gonzalez

Exhibit A

None.

NAVIDEA BIOPHARMACEUTICALS, INC.
5600 Blazer Parkway, Suite 200 Dublin, Ohio 43017-7550

THIS STOCK OPTION AGREEMENT (the "Agreement"), made by and between Navidea Biopharmaceuticals, Inc. (the "Company"), and Ricardo J. Gonzalez (the "Optionee"), is effective as of October 13, 2014 (the "Grant Date").

WHEREAS, as an inducement for the Optionee's joining the Company as its President and Chief Executive Officer, and as additional consideration for his entry into the Employment Agreement dated October 13, 2014 (the "Employment Agreement"), the Company wishes to afford the Optionee the opportunity to purchase a number of shares of its common stock, \$0.001 par value ("Shares") pursuant to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I
DEFINITIONS

As used in this Agreement the following capitalized terms shall have the meanings defined below:

"Board" or "Board of Directors" means the Board of Directors of the Company

"Change in Control" will be deemed to have occurred if and when (i) a person, partnership, corporation, trust or other entity ("Person") acquires or combines with the Company, or 50 percent or more of its assets or earning power, in one or more transactions, and after such acquisition or combination, less than a majority of the outstanding voting shares of the Person surviving such transaction (or the ultimate parent of the surviving Person) is owned by the owners of the voting shares of the Company outstanding immediately prior to such acquisition or combination, unless the Change in Control transaction or transactions have been approved in advance by members of the Board representing at least two-thirds of the Board members; or (ii) during any period of two consecutive years during the term of this Plan, individuals who at the beginning of such period are members of the Board ("Original Board Members") cease for any reason to constitute at least a majority of the Board, unless the election of each Board member who was not an Original Board Member has been approved in advance by Board members representing at least two-thirds of the Board members then in office who were Original Board Members. This definition shall be interpreted in accordance with the guidance under Section 409A of the Internal Revenue Code that describes a change in control, change in effective control, and change in ownership of a substantial portion of the assets of a corporation.

"Committee" means the Compensation, Nominating and Governance Committee of the Board of Directors, or such other committee as the Board shall appoint from time to time with responsibility for executive compensation and administration of equity incentive awards.

“Disabled” means a condition that (i) causes the Optionee to be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (ii) causes the Optionee, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, to receive income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company or its affiliates or (iii) causes the Optionee to be eligible to receive Social Security disability payments. The Committee, in its sole discretion, shall determine the date of any Disability.

“Fair Market Value” means, on any given date and as may be specified in this Agreement, (a) the closing sales price per share (or, if otherwise specified by the Committee, a price that is based on the opening, actual, high, low, or average sales prices per Share) of the Company’s common stock as reported on the NYSE MKT or such other established securities market on which the Shares are traded, or, if there were no reported sales of Shares on such date, then, unless otherwise required under the Code, the business day immediately preceding such date; or (b) if (a) does not apply, the price that the Committee in good faith determines through any reasonable valuation method that a Share might change hands between a willing buyer and a willing seller, neither being under compulsion to buy or to sell and both having reasonable knowledge of the relevant facts. Notwithstanding the above, for purposes of broker-facilitated cashless exercises of Awards involving, “Fair Market Value” shall mean the real-time selling price of such Shares as reported by the broker facilitating such exercises.

“Option” shall have the meaning defined in Section 2.1.

“Option Price” shall have the meaning defined in Section 2.2.

“Retire” or “Retirement” means termination of Optionee’s employment by reason of his retirement at or after his or her having satisfied the requirements for retirement under the applicable Company qualified retirement plan, or in such other termination of employment determined to be a retirement by the Committee.

ARTICLE II GRANT OF OPTIONS

Section 2.1. Grant of Option.

For good and valuable consideration, on and as of the date hereof, the Company irrevocably grants to the Optionee an Option to purchase any part or all of an aggregate number of 1,000,000 Shares, subject to the adjustment as set forth in Section 1.3 hereof (the “Option”).

Section 2.2. Exercise Price.

Subject to Section 1.3 hereof, the per Share exercise price of the Shares covered by the Option shall be \$1.26 (the “Exercise Price”).

Section 2.3. Adjustments to Option

(a) Appropriate adjustments in the aggregate number of Shares issuable pursuant to the Option and the Exercise Price shall be made to give effect to any increase or decrease in the number of issued Shares resulting from a subdivision or consolidation of Shares, whether through recapitalization, stock split, reverse stock split, spin-off, spin-out or other distribution of assets to shareholders, stock distributions or combinations of Shares, payment of stock dividends, other increase or decrease in the number of such Shares outstanding effected without receipt of consideration by the Company, or any other occurrence for which the Committee determines an adjustment is appropriate.

(b) In the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, or an acquisition by the Company of the stock or assets of any other corporation or corporations, there shall be substituted on an equitable basis, as determined by the Committee in its sole discretion, for Shares then subject to the Option, the number and kind of Shares of stock, other securities, cash or other property to which Optionee is entitled pursuant to such transaction.

(c) Without limiting the generality of the foregoing provisions of this paragraph, any such adjustment shall be deemed to have prevented any dilution or enlargement of Optionee's rights, if Optionee receives in any such adjustment, rights that are substantially similar (after taking into account the fact that the Optionee has not paid the applicable Exercise Price) to the rights the Optionee would have received had he exercised his outstanding Option and become a shareholder of the Company immediately prior to the event giving rise to such adjustment. Adjustments under this paragraph shall be made by the Committee, whose decision as to the amount and timing of any such adjustment shall be conclusive and binding.

ARTICLE III
VESTING AND EXERCISE OF OPTION

Section 3.1. Vesting and Commencement of Exercisability.

The Option shall vest and become exercisable in three tranches, provided that the Optionee has been an employee of the Company continuously from the date of this Agreement through the date when such portion of the Option vests. The first tranche of 300,000 Shares will vest and become exercisable on the first anniversary of the Grant Date. The second tranche of 300,000 Shares will vest and become exercisable on or after the second anniversary of the Grant Date, provided that the Option will not be exercisable with respect to such Shares unless and until the average closing price per Share of the Company's common stock for the ten trading days prior to exercise equals or exceeds \$2.50 per share. The third tranche of 400,000 shares will vest and become exercisable on or after the third anniversary of the Grant Date, provided that the Option will not be exercisable with respect to such Shares unless and until the average closing price per Share of the Company's common stock for the ten trading days prior to exercise equals or exceeds \$3.50 per share.

Section 3.2. Expiration of Option.

The unvested and unexercisable portion of the Option shall automatically expire immediately upon:

- (a) the tenth anniversary of the Grant Date;
- (b) the date of the Optionee's termination of employment, if the Optionee's employment is terminated by the Company "for cause" as defined in Section 4.A. of the Employment Agreement; or
- (c) the date of the Optionee's termination of employment as a result of Optionee's voluntary resignation.

In the event that Optionee dies, Retires, or becomes Disabled prior to termination of this Option without having fully exercised the Option, Optionee or his successor shall have the right to exercise the option during its term within a period of one year after the date of such termination due to death, Disability or Retirement, to the extent that the Option option was exercisable at the date of termination due to death, Disability or retirement, or during such other period and subject to such terms, including accelerated vesting, as may be determined by the Committee.

Section 3.3. Acceleration of Vesting of Option.

(a) Any portion of the Option that has not previously become vested pursuant to Section 2.1 and has not expired or been terminated pursuant to Section 2.2 shall immediately become vested and exercisable upon the termination by the Company of Optionee's employment "without cause," as defined in Section 4.D. of the Employment Agreement, and in such event, any unexercised portion of the Option shall remain exercisable for a period of ninety (90) days following such termination of employment.

(b) Any portion of the Option that has not previously become vested pursuant to Section 2.1 and has not expired or been terminated pursuant to Section 2.2 shall immediately become vested and exercisable upon the occurrence of a Change in Control of the Company. Further, the Committee, as constituted before such Change in Control, is authorized, and has sole discretion: (i) provide for the cancellation of any unvested portion of the Option for an amount of cash equal to the difference between the exercise price and the then Fair Market Value of the Shares covered thereby had such Options been currently exercisable; (ii) make such adjustment to the Options then outstanding as the Committee deems appropriate to reflect such Change in Control; or (iii) cause any unexercised portion of the Option then outstanding to be assumed, by the acquiring or surviving corporation, after such Change in Control.

Section 3.4. Exercise.

This Option may be exercised by the delivery of this Agreement with the notice of exercise attached hereto properly completed and signed by Optionee to the Treasurer of the Company, together with the aggregate Exercise Price for the number of Shares as to which the Option is being exercised, after the Option has become exercisable and before it has ceased to be exercisable. The Exercise Price must be paid (i) in cash, (ii) by authorizing a third party with which Optionee has a brokerage or similar account to sell the Shares (or a sufficient portion of such Shares) acquired upon the exercise of the Option and remit to the Company a portion of the sale proceeds sufficient to pay the entire Exercise Price to the Company, (iii) by delivering Shares that have an aggregate Fair Market Value on the date of exercise equal to the Exercise Price; (iv) by authorizing the Company to withhold from the total number of Shares as to which the Option is being exercised the number of Shares having a Fair Market Value on the date of exercise equal to the aggregate Exercise Price for the total number of Shares as to which the Option is being exercised, or (v) by any combination of (i), (ii), (iii), and (iv). In the case of an election pursuant to (i) above, cash shall mean cash or check made payable to Navidea Biopharmaceuticals, Inc. In the case of payment pursuant to (ii) or (iii) above, Optionee's authorization must be made on or prior to the date of exercise and shall be irrevocable.

Section 3.5. Rights as a Stockholder.

The Optionee shall not be, and shall not have any of the rights or privileges of, stockholders of the Company in respect of any Shares purchasable in connection with the Option or any portion thereof unless and until a book entry representing such Shares has been made on the books and records of the Company.

Section 3.6. Forfeiture Conditions.

Notwithstanding any provision herein to the contrary, in the event of termination Optionee's employment "for cause" as defined in Section 4.A. of the Employment Agreement, the breach of any non-competition or confidentiality restrictions applicable to Optionee, or Optionee's participation in an activity that is deemed by the Committee to be detrimental to the Company, (i) Optionee's right to exercise any unexercised portion of the Option shall immediately terminate and all rights thereunder shall cease, (ii) Optionee's right to receive an issuance of Shares upon settlement of the Option shall immediately terminate, and, (iii) if the Option has been exercised, in whole or in part, then either (A) the Shares issued upon exercise of the Option shall be forfeited and returned to the Company and Optionee shall be repaid the lesser of (x) the then-current Fair Market Value per Share or (y) the Exercise Price paid for such Option Shares, or (B) Optionee will be required to pay to the Company in cash an amount equal to the gain realized by Optionee from the exercise of such Option (measured by the difference between the Fair Market Value of the Option Shares on the date of exercise and the Exercise Price paid by Optionee).

ARTICLE IV
MISCELLANEOUS

Section 4.1. Administration.

The Committee shall have the power to interpret this Agreement. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Optionee and his beneficiaries or successors, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the the Option. In its absolute discretion, the Board may at any time, and from time to time, exercise any and all rights and duties of the Committee under this Agreement.

Section 4.2. Option Not Transferable.

This Option may not be sold, pledged nor otherwise transferred other than by will or the laws of descent and distribution; and it may only be exercised during by Optionee during his lifetime. Notwithstanding the foregoing, Optionee may transfer this Option either (a) to members of his immediate family (as defined in Rule 16a-1 under the Securities Exchange Act of 1934, as amended), to one or more trusts for the benefit of such family members, or to partnerships or other entities in which such family members are the only partners or owners, provided that Optionee does not receive any consideration for the transfer, or (b) with the prior written approval of the Committee. Any Option held by a transferee remains subject to the same terms and conditions that applied immediately prior to transfer based on the transferor's continuing relationship with the Company. This Agreement is neither a negotiable instrument nor a security (as such term is defined in Article 8 of the Uniform Commercial Code).

Section 4.3. Notices.

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Optionee shall be addressed to the Optionee at the most recent address of the Optionee set forth in the personnel records of the Company. By a notice given pursuant to this Section 4.3, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Optionee, shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 4.3. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 4.4. Titles; Interpretation.

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. Defined terms used in this Agreement shall apply equally to both the singular and plural forms thereof. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The term "hereunder" shall mean this entire Agreement as a whole unless reference to a specific section or provision of this Agreement is made. Any reference to a Section, subsection and provision is to this Agreement unless otherwise specified.

Section 4.5. No Right to Employment or Additional Options or Stock Awards.

Nothing in this Agreement shall confer upon the Optionee any right to continue in employment, or shall interfere with or restrict in any way the rights of the Company and its affiliates, which are hereby expressly reserved, to terminate the employment of the Optionee at any time for any reason whatsoever, with or without cause, subject to the applicable provisions, if any, of the Employment Agreement (if any such agreement is in effect at the time of such termination). Neither the Optionee nor any other Person shall have any claim to be granted any additional Options or any other stock awards.

Section 4.6. Nature of Grant.

In accepting the Option, the Optionee acknowledges that, regardless of any action the Company or its affiliates takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Optionee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Optionee is and remains the Optionee’s responsibility, and the Optionee shall pay to, and indemnify and keep indemnified, the Company and its affiliates from and against Tax-Related Items legally due by the Optionee that are attributable to the exercise of, or any benefit derived by the Optionee from, the Option and that the Company and its affiliates (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Agreement, including the grant, vesting or exercise of this Option, the subsequent sale of Shares acquired pursuant to such exercise or the receipt of any dividends with respect to such Shares; and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee’s liability for Tax-Related Items. Optionee acknowledges that this Option is not an incentive stock option under Section 422 of the Internal Revenue Code, and that Optionee will have taxable income upon the exercise of this Option. At that time, you must pay to Navidea an amount equal to the required federal, state and local tax withholding less any withholding otherwise made from your salary or bonus.

Section 4.7. Governing Law.

This Agreement shall be governed in all respects by the laws of the State of Delaware, without regard to conflicts of law principles thereof.

Section 4.8. Entire Agreement.

This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and it supersedes and discharges all prior agreements (written or oral) and negotiations and all contemporaneous oral agreements concerning such subject matter. This Agreement may not be amended or terminated except by a writing signed by the party against whom any such amendment or termination is sought.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

NAVIDEA BIOPHARMACEUTICALS, INC.

/s/ Brent L. Larson

Name: Brent L. Larson

Title: Executive Vice President &
Chief Financial Officer

Optionee

/s/ Ricardo J. Gonzalez

Ricardo J. Gonzalez

OPTION EXERCISE FORM

The undersigned hereby exercises the right to purchase _____ shares of Common Stock of Navidea Biopharmaceuticals, Inc. pursuant to the Option Agreement dated October __, 2014.

Approved by (President, CEO or
EVP/CFO):

Optionee Signature Date

Signature Date

Sign and complete this Option Exercise Form and deliver it to:

Navidea Biopharmaceuticals, Inc.
Attn: Chief Financial Officer
5600 Blazer Parkway
Suite 200
Dublin, Ohio 43017-7550

together with the option price in cash (i) in cash, (ii) by authorizing a third party with which you have a brokerage or similar account to sell the Shares (or a sufficient portion of such Shares) acquired upon the exercise of the Option and remit to Navidea a portion of the sale proceeds sufficient to pay the entire Exercise Price to Navidea, (iii) by delivering Shares that have an aggregate Fair Market Value on the date of exercise equal to the Exercise Price; (iv) by authorizing Navidea to withhold from the total number of Shares as to which the Option is being exercised the number of Shares having a Fair Market Value on the date of exercise equal to the aggregate Exercise Price for the total number of Shares as to which the Option is being exercised, or (v) by any combination of (i), (ii), (iii), and (iv).



Press Release

FOR IMMEDIATE RELEASE**Navidea Announces Rick Gonzalez as New Chief Executive Officer**

DUBLIN OHIO, October 15, 2014 -- Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB), a biopharmaceutical company focused on precision diagnostic radiopharmaceuticals, today announced that Rick Gonzalez has been appointed Chief Executive Officer effective October 13, 2014. Mr. Gonzalez has more than 20 years of experience in the pharmaceutical industry, and most recently served as Vice President, Global Operations at Spectrum Pharmaceuticals, a biotechnology company focused in oncology and hematology.

"It is with great pleasure that Navidea welcomes Rick Gonzalez as the new Chief Executive Officer," said Gordon Troup, Chairman of the Board of Navidea. "Rick brings an impressive depth of global commercial, operational and leadership experience in the biotechnology field including oncology and radiotherapy, which are highly relevant to Lymphoseek®. His extensive expertise across all aspects of product commercialization together with his proven track record of success will be invaluable to the growth of the Company as we continue to advance the commercialization of Lymphoseek and demonstrate the value of our pipeline. On behalf of the Board, we would also like to thank Michael Goldberg for his efforts as Interim CEO during this time of transition."

"I am delighted to join the Navidea team and am committed to its growth by focusing on the achievement of our corporate goals," commented Rick Gonzalez. "Together, with our dedicated and talented team, we will strive to expand the global commercial opportunity for Lymphoseek and its ground-breaking label for use in all solid tumors; further explore and pursue exciting Mancept™ platform prospects; and advance the important neuroimaging tracer programs through strategic partnerships. I look forward to the challenge at this important time in the Company's evolution."

At Spectrum Pharmaceuticals, Mr. Gonzalez had increasing responsibilities leading teams in the U.S. and abroad and played an active role in the evolution of the organization from a product development company to a global commercial enterprise. Most recently he was responsible for designing and leading the globalization and commercialization strategy for international markets including Europe, Asia, Middle East and Latin America. Of Mr. Gonzalez's over 20 years of experience in the pharmaceutical industry, 14 years have been focused in specialty markets, including HIV/AIDS, Hematology and Oncology. Rick's prior experience includes roles in all aspects of product commercialization including sales, marketing, operations, distribution, managed markets, contracting, reimbursement, pricing and government affairs with several companies including Abraxis Oncology, Genzyme, Ligand Pharmaceuticals, Roche Laboratories and GlaxoSmithKline. Mr. Gonzalez earned his Bachelor of Science in Business Logistics from Penn State University.

In connection with his appointment, Navidea entered into an employment agreement with Mr. Gonzalez and made an inducement grant to him of equity compensation. Mr. Gonzalez was granted options to purchase 1,000,000 shares of Navidea's common stock at an exercise price of \$1.26 per share, the closing market price on October 10, 2014. The options vest and become exercisable in three tranches, subject to Mr. Gonzalez's continued employment by Navidea. The first tranche of 300,000 shares vests on the first anniversary of grant. The second tranche of 300,000 shares vests on or after the second anniversary of the date of grant, provided that this tranche would not be exercisable unless and until the average closing price per share of Navidea's common stock for the ten trading days prior to exercise equals or exceeds \$2.50 per share. The third tranche of 400,000 shares vests on the third anniversary of the grant date, provided that this tranche would not be exercisable unless and until the average closing price per share of Navidea's common stock for the ten trading days prior to exercise equals or exceeds \$3.50 per share.

- more -

Navidea's Compensation Committee and the independent members of the Board of Directors approved the employment inducement award in reliance on an employment inducement exception to NYSE shareholder approval governance rules. These options were awarded as an inducement grant pursuant to NYSE MKT Rule 711, which requires an immediate public announcement in connection with any inducement grant. This press release is intended to comply with that requirement.

About Navidea Biopharmaceuticals Inc.

Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB) is a biopharmaceutical company focused on the development and commercialization of precision diagnostics and radiopharmaceutical agents. Navidea is developing multiple precision diagnostic products and platforms including Manocept™, NAV4694, NAV5001, and NAV1800 (RIGScan™), to help identify the sites and pathways of undetected disease and enable better diagnostic accuracy, clinical decision-making and, ultimately, patient care. Lymphoseek® (technetium Tc 99m tilmanocept) injection, Navidea's first commercial product from the Manocept platform, was approved by the FDA in March 2013. Navidea's strategy is to deliver superior growth and shareholder return by bringing to market novel radiopharmaceutical agents and advancing the Company's pipeline through selective acquisitions, global partnering and commercialization efforts. For more information, please visit www.navidea.com.

The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for forward-looking statements made by or on behalf of the Company. Statements in this news release, which relate to other than strictly historical facts, such as statements about the Company's plans and strategies, expectations for future financial performance, new and existing products and technologies, anticipated clinical and regulatory pathways, and markets for the Company's products are forward-looking statements within the meaning of the Act. The words "believe," "expect," "anticipate," "estimate," "project," and similar expressions identify forward-looking statements that speak only as of the date hereof. Investors are cautioned that such statements involve risks and uncertainties that could cause actual results to differ materially from historical or anticipated results due to many factors including, but not limited to, the Company's continuing operating losses, uncertainty of market acceptance of its products, reliance on third party manufacturers, accumulated deficit, future capital needs, uncertainty of capital funding, dependence on limited product line and distribution channels, competition, limited marketing and manufacturing experience, risks of development of new products, regulatory risks and other risks detailed in the Company's most recent Annual Report on Form 10-K and other Securities and Exchange Commission filings. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

Source: Navidea Biopharmaceuticals, Inc.

Navidea Biopharmaceuticals
Brent Larson, 614-822-2330
Executive VP & CFO
or
Sharon Correia, 978-655-2686
Associate Director, Corporate Communications

###

-end-
