

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

Amendment No. 1

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

Date of Report (Date of earliest event reported): March 24, 2006



ChemBio Diagnostics, Inc.
(Exact name of registrant as specified in its charter)

Nevada	333-85787	88-0425691
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3661 Horseblock Road, Medford, NY 11763
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (631) 924-1135

N/A
(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))

EXPLANATORY NOTE

The purpose of this Amendment No. 1 to the Form 8-K of Chembio Diagnostics Inc. (the “Company”) dated March 24, 2006 is to file the correct versions of both the Form of Incentive Stock Option Agreement and the Form of Non-Qualified Stock Option Agreement pursuant to the Company’s 1999 Equity Incentive Plan. The incorrect versions of these form agreements were inadvertently filed as Exhibits 10.3 and 10.4, respectively, to the original filing. Accordingly, the documents filed as Exhibits 10.3 and 10.4, respectively, are hereby amended and restated in their entirety. The remainder of the information contained in the original filing is not amended hereby.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits.

3.1 Certificate of Designation of Preferences, Rights and Limitations of Series B 9% Convertible Preferred Stock of the Registrant. (1)

4.2 Form of Common Stock Warrant issued pursuant to the Securities Purchase Agreement. (1)

4.3 Registration Rights Agreement, dated as of January 26, 2005, by and among the Registrant and the Purchasers listed therein. (1)

10.1 Securities Purchase Agreement (the “Securities Purchase Agreement”), dated as of January 26, 2005, by and among the Registrant and the Purchasers listed therein. (1)

10.2 Letter Agreement dated March 29, 2006 by and between the Company and Crestview Capital Master, LLC. (2)

10.3 [Form of Stock Option Agreement \(Incentive\) under 1999 Equity Incentive Plan.](#)

10.4 [Form of Stock Option Agreement \(Non-Qualified\) under 1999 Equity Incentive Plan.](#)

99.1 Press release titled Chembio Reports Fourth Quarter and Full-Year 2005 Results issued on March 31, 2006. (2)

99.2 Press Release titled “Chembio Appoints Distributor and Receives Approval for its Rapid HIV Tests in Kenya” issued on March 27, 2006. (2)

(1) Incorporated by reference from the Company’s Current Report on Form 8-K, filed with the SEC on January 31, 2005.

(2) Incorporated by reference from the Company’s Current Report on Form 8-K, filed with the SEC on April 3, 2006.

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 thereunto duly authorized.

Date: April 6, 2006

CHEMBIO DIAGNOSTICS, INC.

By: /s/ Lawrence A. Siebert
Lawrence A. Siebert
Chief Executive Officer

CHEMBIO DIAGNOSTICS, INC.

STOCK OPTION AGREEMENT
(Incentive Option)

THIS STOCK OPTION AGREEMENT (the "Agreement") is made and entered into as of the _____ day of _____ by and between Chembio Diagnostics, Inc., a Nevada corporation (the "Company"), and _____ (the "Optionee").

WITNESSETH:

WHEREAS, the Optionee has received an incentive stock option to purchase shares of the Company's Common Stock pursuant to the Company's 1999 Stock Option Plan (the "Plan") in order to provide the Optionee with an opportunity for investment in the Company and additional incentive to pursue the success of the Company, and this option is to be for the number of shares, at the price per share and on the terms set forth in this Agreement;

WHEREAS, the Company intends that the stock option granted pursuant to this Agreement qualify as an incentive stock option pursuant to Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Optionee desires to receive an option on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Grant Of Option. The Company hereby grants to the Optionee, as a matter of separate agreement and not in lieu of salary or any other compensation for services, the right and option (the "Option") to purchase all or any part of an aggregate of _____ (_____) shares of the authorized and unissued \$.01 par value common stock of the Company (the "Option Shares") pursuant to the terms and conditions set forth in this Agreement.

2. Option Price. At any time when shares are to be purchased pursuant to the Option, the purchase price for each Option Share shall be \$ _____ (the "Option Price").

3. Exercise Period.

(a) The Option may be exercised at any time after _____ (the "Trigger Date").

(b) The period for exercise of the Option shall terminate at 5:00 p.m., Eastern Standard Time on _____, unless terminated earlier as provided in this Agreement, which date is the seventh anniversary of the date of this Agreement.

4. Exercise Of Option.

(a) The Option may be exercised in whole or in part by delivering to the Treasurer of the Company (i) a Notice And Agreement Of Exercise Of Option, substantially in the form attached hereto as Exhibit A, specifying the number of Option Shares with respect to which the Option is exercised, and (ii) full payment of the Option Price for such shares. Payment in cash shall be made by certified check or cleared funds. The Option may not be exercised in part unless the purchase price for the Option Shares purchased is at least \$1,000 or unless the entire remaining portion of the Option is being exercised.

(b) Promptly upon receipt of the Notice And Agreement Of Exercise Of Option together with the full payment of the Option Price, the Company shall deliver to the Optionee a properly executed certificate or certificates representing the Option Shares being purchased.

(c) During the lifetime of the Optionee, the Option shall be exercisable only by the Optionee; provided, however, that in the event of the legal disability of an Optionee, the guardian or personal representative of the Optionee may exercise the Option if such guardian or personal representative obtains a ruling from the Internal Revenue Service or an opinion of counsel to the effect that neither the grant nor the exercise of such power is violative of Section 422(b)(5), or its successor provision, of the Internal Revenue Code of 1986, as amended (the "Code"). Any opinion of counsel must be acceptable to the Option Committee both with respect to the counsel rendering the opinion and with respect to the form of opinion.

(d) If for any reason other than the termination of Optionee's employment by the Company for cause or other than the termination of Optionee's employment by Optionee's resignation or other voluntary act, the Optionee ceases to be employed by the Company, any Option held by the Optionee at the time the Optionee's employment ceases may be exercised within thirty days after the date his employment ceases, but only to the extent that (i) the Option was exercisable according to its terms on the date of termination of the Optionee's employment, and (ii) the period for exercise of the Option, as defined in Section 3 of this Agreement, has not terminated as of the date of exercise. Upon termination of the period ending thirty days after cessation of the Optionee's employment for any reason other than for cause and other than by Optionee's voluntary act, any unexercised portion of an Option shall expire. If the Optionee ceases to be employed by the Company because of termination by the Optionee by resignation or other voluntary act, any Option held by the Optionee at the time the Optionee's employment ceases shall terminate immediately upon the cessation of employment and all rights to purchase shares pursuant to the Option shall terminate immediately. If the Optionee's employment by the Company is terminated by the Company for cause, any Option held by the Optionee at the time Optionee's employment is terminated shall expire upon delivery to the Optionee of notice of termination, which may be oral or in writing, and all rights to purchase shares pursuant to the Option shall terminate immediately. As used in this Section 4(d), termination "for cause" means a discharge on account of dishonesty, disloyalty or insubordination on the part of the Optionee as determined by the Board Of Directors of the Corporation or a Committee of the Board Of Directors.

5. Withholding Taxes. The Company may take such steps as it deems necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation or any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with the Option including, but not limited to, the withholding of all or any portion of any payment owed by the Company to the Optionee or the withholding of issuance of Option Shares to be issued upon the exercise of the Option.

6. Securities Laws Requirements. The issuance of the Option has not been registered under the 1933 Act, in reliance upon an exemption from registration. In addition, no Option Shares shall be issued unless and until, in the opinion of the Company, there has been full compliance with any applicable registration requirements of the 1933 Act, any applicable listing requirements of any securities exchange on which stock of the same class has been listed, and any other requirements of law or any regulatory bodies having jurisdiction over such issuance and delivery. Optionee hereby acknowledges, represents, warrants and agrees as follows, and, pursuant to the terms of the Notice And Agreement Of Exercise Of Option (Exhibit A) that shall be delivered to the Company upon each exercise of the Option, Optionee shall acknowledge, represent, warrant and agree as follows:

(a) Optionee is acquiring the Option and the Option Shares for investment purposes only and the Option and the Option Shares that Optionee is acquiring will be held by Optionee without sale, transfer or other disposition for an indefinite period unless the transfer of those securities is subsequently registered under the federal securities laws or unless exemptions from registration are available;

(b) Optionee's overall commitment to investments that are not readily marketable is not disproportionate to Optionee's net worth and Optionee's investment in the Option and the Option Shares will not cause such overall commitments to become excessive;

(c) Optionee's financial condition is such that Optionee is under no present or contemplated future need to dispose of any portion of the Option or the Option Shares to satisfy any existing or contemplated undertaking, need or indebtedness;

(d) Optionee has sufficient knowledge and experience in business and financial matters to evaluate, and Optionee has evaluated, the merits and risks of an investment in the Option and the Option Shares;

(e) The address set forth in this Agreement is Optionee's true and correct residence, and Optionee has no present intention of becoming a resident of any other state or jurisdiction;

(f) Optionee confirms that all documents, records and books pertaining to an investment in the Option and the Option Shares have been made available or delivered to Optionee and Optionee has had the opportunity to discuss the acquisition of the Option and the Option Shares with the Company. Optionee also confirms that Optionee has obtained or been given access to all information concerning the Company that Optionee has reasonably requested;

(g) Optionee has had the opportunity to ask questions of, and receive the answers from, the Company concerning the terms of the investment in the Option and the Option Shares and to receive additional information necessary to verify the accuracy of the information delivered to Optionee, to the extent that the Company possesses such information or can acquire it without unreasonable effort or expense;

(h) Optionee understands that the Option has not been, and the Option Shares issuable upon exercise of the Options will not be, registered under the 1933 Act or any state securities laws in reliance on an exemption for private offerings, and no federal or state agency has made any finding or determination as to the fairness of this investment or any recommendation or endorsement of the issuance of the Option or the Option Shares;

(i) The Option and the Option Shares that Optionee is acquiring will be solely for Optionee's own account, for investment, and are not being purchased with a view to or for the resale, distribution, subdivision or fractionalization thereof. Optionee has no agreement or arrangement for any such resale, distribution, subdivision or fractionalization thereof; and

(j) Optionee acknowledges and is aware of the following:

(i) The Company has a history of losses. The Option and the Option Shares constitute a speculative investment and involve a high degree of risk of loss by Optionee of Optionee's total investment in the Option and the Option Shares.

(ii) There are substantial restrictions on the transferability of the Option and the Option Shares. The Option is not transferable except as provided in Section 7 below. The Option Shares cannot be transferred, pledged, hypothecated, sold or otherwise disposed of unless they are registered under the 1933 Act or an exemption from such registration is available and established to the satisfaction of the Company; investors in the Company have no rights to require that the Option Shares be registered; there is no right of presentment of the Option Shares and there is no obligation by the Company to repurchase any of the Option Shares; and, accordingly, Optionee may have to hold the Option Shares indefinitely and it may not be possible for Optionee to liquidate Optionee's investment in the Company.

(iii) Each certificate issued representing the Option Shares shall be imprinted with a legend that sets forth a description of the restrictions on transferability of those securities, which legend will read substantially as follows:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER FEDERAL OR STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, OR OTHERWISE DISPOSED OF UNLESS SO REGISTERED OR QUALIFIED OR UNLESS AN EXEMPTION EXISTS, THE AVAILABILITY OF WHICH IS TO BE ESTABLISHED BY AN OPINION OF COUNSEL (WHICH OPINION AND COUNSEL SHALL BOTH BE REASONABLY SATISFACTORY TO THE COMPANY)."

The restrictions described above, or notice thereof may be placed on the certificates representing the Option Shares purchased pursuant to the Option, and the Company may refuse to issue the certificates or to transfer the shares on its books unless it is satisfied that no violation of such restrictions will occur.

7. Transferability Of Option. The Option shall not be transferable except by will or the laws of descent and distribution, and any attempt to do so shall void the Option.

8. Adjustment By Stock Split, Stock Dividend, Etc. If at any time the Company increases or decreases the number of its outstanding shares of common stock, or changes in any way the rights and privileges of such shares, by means of the payment of a stock dividend or the making of any other distribution on such shares payable in its common stock, or through a stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving its common stock, the numbers, rights and privileges of the shares of common stock included in the Option shall be increased, decreased or changed in like manner as if such shares had been issued and outstanding, fully paid and nonassessable at the time of such occurrence.

9. Common Stock To Be Received Upon Exercise. Optionee understands that the Company is under no obligation to register the issuance of the Option Shares, the resale (by directors and officers) of the Option Shares, or the Option Shares, under the Securities Act of 1933, as amended (the "1933 Act"), and that in the absence of any such registration, the Option Shares cannot be sold unless they are sold pursuant to an exemption from registration under the 1933 Act. The Company is under no obligation to comply, or to assist the Optionee in complying, with any exemption from such registration requirement, including supplying the Optionee with any information necessary to permit routine sales of the Stock under Rule 144 of the Securities and Exchange Commission. Optionee also understands that with respect to Rule 144, routine sales of securities made in reliance upon such Rule can be made only in limited amounts in accordance with the terms and conditions of the Rule, and that in cases in which the Rule is inapplicable, compliance with either Regulation A or another disclosure exemption under the 1933 Act will be required. Thus, the Option Shares will have to be held indefinitely in the absence of registration under the 1933 Act or an exemption from registration.

Furthermore, the Optionee fully understands that issuance of the Option Shares may not be registered under the 1933 Act and that if their issuance is not registered, they will be issued in reliance upon an exemption which is available only if Optionee acquires such shares for investment and not with a view to distribution. Optionee is familiar with the phrase "acquired for investment and not with a view to distribution" as it relates to the 1933 Act and the special meaning given to such term in various releases of the Securities And Exchange Commission.

10. Privilege Of Ownership. Optionee shall not have any of the rights of a stockholder with respect to the shares covered by the Option except to the extent that one or more certificates for such shares shall be delivered to him upon exercise of the Option.

11. Relationship To Employment Or Position. Nothing contained in this Agreement (i) shall confer upon the Optionee any right with respect to continuance of Optionee's employment by, or position or affiliation with, or relationship to, the Company, or (ii) shall interfere in any way with the right of the Company at any time to terminate the Optionee's employment by, position or affiliation with, or relationship to, the Company.

12. Notices. All notices, requests, demands, directions and other communications ("Notices") concerning this Agreement shall be in writing and shall be mailed or delivered personally or sent by telecopier or facsimile to the applicable party at the address of such party set forth below in this Section 12. When mailed, each such Notice shall be sent by first class, certified mail, return receipt requested, enclosed in a postage prepaid wrapper, and shall be effective on the fifth business day after it has been deposited in the mail. When delivered personally, each such Notice shall be effective when delivered to the address for the respective party set forth in this Section 12, provided that it is delivered on a business day and further provided that it is delivered prior to 5:00 p.m., local time of the party to whom the notice is being delivered, on that business day; otherwise, each such Notice shall be effective on the first business day occurring after the Notice is delivered. When sent by telecopier or facsimile, each such Notice shall be effective on the day on which it is sent provided that it is sent on a business day and

further provided that it is sent prior to 5:00 p.m., local time of the party to whom the Notice is being sent, on that business day; otherwise, each such Notice shall be effective on the first business day occurring after the Notice is sent. Each such Notice shall be addressed to the party to be notified as shown below:

- (a) if to the Company: Chembio Diagnostics, Inc.
Attn: President
3361 Horseblock Road
Medford, New York 11763
Facsimile No. (516) 924-6033
- (b) if to the Optionee: _____

Either party may change its respective address for purposes of this Section 12 by giving the other party Notice of the new address in the manner set forth above.

13. General Provisions. This instrument (a) contains the entire agreement between the parties, (b) may not be amended nor may any rights hereunder be waived except by an instrument in writing signed by the party sought to be charged with such amendment or waiver, (c) shall be construed in accordance with, and governed by the laws of the State of New York, except where conflicts of law rules require the application of Colorado law, and (d) shall be binding upon and shall inure to the benefit of the parties and their respective personal representatives and assigns, except as above set forth. All pronouns contained herein and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural as the identity of the parties hereto may require.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

CHEMBIO DIAGNOSTICS, INC.

Date: _____
Lawrence Siebert, President

OPTIONEE 0 ;

Date: _____
Name

EXHIBIT A
(To Chembio Diagnostic Systems Inc
Stock Option Agreement)

CHEMBIO DIAGNOSTICS, INC.

NOTICE AND AGREEMENT OF EXERCISE OF OPTION

I hereby exercise my Chembio Diagnostics, Inc. Stock Option dated as of _____ as to _____ shares of the \$.01 par value common stock (the "Option Shares") of Chembio Diagnostics, Inc. (the "Company") at a purchase price of \$_____ per share. The total exercise price for these Option Shares is \$_____. Enclosed is payment in the form of _____.

Enclosed are the documents and payment specified in Paragraph 4 of my Option Agreement.

I understand that no Option Shares will be issued unless and until, in the opinion of the Company, there has been full compliance with any applicable registration requirements of the Securities Act of 1933, as amended, any applicable listing requirements of any securities exchange on which stock of the same class is then listed, and any other requirements of law or any regulatory bodies having jurisdiction over such issuance and delivery. I hereby acknowledge, represent, warrant and agree, to and with the Company as follows:

- a. The Option Shares I am purchasing are being acquired for my own account for investment purposes only and with no view to their resale or other distribution of any kind, and no other person (except, if I am married, my spouse) will own any interest therein. (Note: This provision to be included only if issuance of Option Shares is not registered at the time of exercise.)
- b. I will not sell or dispose of my Option Shares in violation of the Securities Act of 1933, as amended, or any other applicable federal or state securities laws.
- c. I will report all sales of Option Shares to the Company in writing on a form prescribed by the Company.
- d. I agree that the Company may, without liability for its good faith actions, place legend restrictions upon my Option Shares and issue "stop transfer" instructions requiring compliance with applicable securities laws and the terms of my Option.
- e. [For officers only.] If and so long as I am subject to reporting requirements under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), I recognize that any sale by me or my immediate family of the Company's \$.001 par value common stock may create liability for me under Section 16(b) of the 1934 Act ("Section 16(b)"). Therefore, I have consulted with my counsel regarding the application of Section 16(b) to this exercise of my Option.
- f. [For officers only.] I will consult with my counsel regarding the application of Section 16(b) before I can make any sale of the Company's \$.01 par value common stock, including the Option Shares, and I will furnish the Company with a copy of each Form 4 filed by me and will timely file all reports that I may be required to file under the federal securities laws.

The number of Option Shares specified above are to be issued in the name or names set forth below in the left-hand column.

Name	Signature

(Optionee - Print Name of Spouse if you wish joint registration)	Address
	City, State and Zip Code

* * * * *

THE SECURITIES REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AND ARE "RESTRICTED SECURITIES" AS THAT TERM IS DEFINED IN RULE 144 UNDER THE 1933 ACT. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT.

CHEMBIO DIAGNOSTICS, INC.

STOCK OPTION AGREEMENT
(Directors' Non-Qualified Stock Option)

THIS STOCK OPTION AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _____, _____ by and between Chembio Diagnostics, Inc., a Nevada corporation (the "Company"), and _____ (the "Optionee").

WITNESSETH:

WHEREAS, the Optionee has received a non-qualified option to purchase shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), pursuant to the Company's 1999 Stock Option Plan (the "Plan") in order to provide the Optionee with an opportunity for investment in the Company and additional incentive to pursue the success of the Company, and this option is to be for the number of shares, at the price per share and on the other terms and conditions set forth in this Agreement; and

WHEREAS, the Optionee desires to receive an option on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Grant Of Option. The Company hereby grants to the Optionee the right and option (the "Option") to purchase all or any part of an aggregate of _____ (_____) shares of the authorized and unissued Common Stock (the "Option Shares") pursuant to the terms and conditions set forth in this Agreement and the Plan. In the event that the terms and conditions in this Agreement are inconsistent with the terms and conditions in the Plan, the terms and conditions in the Plan shall control.
2. Option Price. At any time that shares are to be purchased pursuant to the Option, the purchase price for each Option Share shall be \$_____ (the "Option Price"), subject to adjustment as provided in this Agreement.
3. Exercise Period. Unless terminated earlier as provided in this Agreement, each portion of the Option will expire and terminate, if not exercised sooner, at 5:00pm, New York City, New York time, on _____ (MM/DD/YY). Notwithstanding the foregoing, to the extent not earlier terminated, the Option shall terminate three months after the date the Optionee no longer serves on the Board of Directors of the Company.
4. Vesting of Option. _____ (fraction) of the Options (the right to purchase _____ Option Shares) shall be immediately exercisable and _____ (fraction) of the Options shall become exercisable on _____ (MM/DD) of each of _____ (YYYY) and _____ (YYYY).
5. Exercise Of Option.
 - (a) The Option may be exercised in whole or in part by delivering to the Treasurer of the Company (i) a Notice And Agreement Of Exercise Of Option, substantially in the form attached hereto as Exhibit A, specifying the number of Option Shares with respect to which the Option is exercised, and (ii) full payment of the Option Price for such shares. Payment shall be made by certified check or cleared funds. The Option may not be exercised in part unless the purchase price for the Option Shares purchased is at least \$1,000 or unless the entire remaining portion of the Option is being exercised.
 - (b) Promptly upon receipt of the Notice And Agreement Of Exercise Of Option together with the full payment of the Option Price, the Company shall deliver to the Optionee a properly executed certificate or certificates representing the Option Shares being purchased.
6. Withholding Taxes. The Company may take such steps as it deems necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation or any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with the Option, including, but not limited to, the withholding of all or any portion of any payment owed by the Company to the Optionee or the withholding of issuance of Option Shares to be issued upon the exercise of the Option.
7. Securities Laws Requirements. No Option Shares shall be issued unless and until, in the opinion of the Company, there has been full compliance with, or an exemption from, any applicable registration requirements of the Securities Act of 1933, as amended (the "1933 Act"), any applicable listing requirements of any securities exchange on which stock of the same class has been listed, and any other requirements of law or any regulatory bodies having jurisdiction over such issuance and delivery, or applicable exemptions are available and have been complied with. Pursuant to the terms of the Notice And Agreement Of Exercise Of Option (Exhibit A) that shall be delivered to the Company upon each exercise of the Option, the Optionee shall acknowledge, represent, warrant and agree as follows:
 - (a) Optionee is acquiring the Option Shares for investment purposes only and the Option Shares that Optionee is acquiring will be held by Optionee without sale, transfer or other disposition for an indefinite period unless the transfer of those securities is subsequently registered under the federal securities laws or unless exemptions from registration are available;
 - (b) Optionee's overall commitment to investments that are not readily marketable is not disproportionate to Optionee's net worth and Optionee's investment in the Option Shares will not cause such overall commitments to become excessive;
 - (c) Optionee's financial condition is such that Optionee is under no present or contemplated future need to dispose of any portion of the Option Shares to satisfy any existing or contemplated undertaking, need or indebtedness;
 - (d) Optionee has sufficient knowledge and experience in business and financial matters to evaluate, and Optionee has evaluated, the merits and risks of an investment in the Option Shares;
 - (e) The address set forth on the signature page to this Agreement is Optionee's true and correct residence, and Optionee has no present intention of becoming a resident of any other state or jurisdiction;
 - (f) Optionee confirms that all documents, records and books pertaining to an investment in the Option and the Option Shares that have been requested by Optionee have been made available or delivered to Optionee. Without limiting the foregoing, Optionee has received and reviewed the Company's periodic reports as filed with the Securities and Exchange Commission, and Optionee has had the opportunity to discuss the acquisition of the Option and the Option Shares with the Company, and Optionee has obtained or been given access to all information concerning the Company that Optionee has requested;

(g) Optionee has had the opportunity to ask questions of, and receive the answers from, the Company concerning the terms of the investment in the Option Shares and to receive additional information necessary to verify the accuracy of the information delivered to Optionee, to the extent that the Company possesses such information or can acquire it without unreasonable effort or expense;

(h) Optionee understands that the Options have not been, and the Option Shares issuable upon exercise of the Options will not be, registered under the 1933 Act or any state securities laws in reliance on an exemption for private offerings, and no federal or state agency has made any finding or determination as to the fairness of this investment or any recommendation or endorsement of the sale of the Option Shares;

(i) The Option Shares that Optionee is acquiring will be solely for Optionee's own account, for investment, and are not being purchased with a view to or for the resale, distribution, subdivision or fractionalization thereof. Optionee has no agreement or arrangement for any such resale, distribution, subdivision or fractionalization thereof;

(j) Optionee acknowledges and is aware of the following:

(i) The Company has a history of losses. The Option Shares constitute a speculative investment and involve a high degree of risk of loss by Optionee of Optionee's total investment in the Option Shares.

(ii) There are substantial restrictions on the transferability of the Option Shares. The Option is not transferable except by will or the laws of descent and distribution, and any attempt to do so shall void the Option. The Option Shares cannot be transferred, pledged, hypothecated, sold or otherwise disposed of unless they are registered under the 1933 Act or an exemption from such registration is available and established to the satisfaction of the Company; investors in the Company have no rights to require that the Option Shares be registered; there is no right of presentment of the Option Shares and there is no obligation by the Company to repurchase any of the Option Shares; and, accordingly, Optionee may have to hold the Option Shares indefinitely and it may not be possible for Optionee to liquidate Optionee's investment in the Company.

(iii) Unless the issuance of the Option Shares is registered, each certificate issued representing the Option Shares shall be imprinted with a legend that sets forth a description of the restrictions on transferability of those securities, which legend will read substantially as follows:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AND ARE 'RESTRICTED SECURITIES' AS THAT TERM IS DEFINED IN RULE 144 UNDER THE 1933 ACT. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT."

The restrictions described in this Section 6, or notice thereof, may be placed on the certificates representing the Option Shares purchased pursuant to the Option, and the Company may refuse to issue the certificates or to transfer the shares on its books unless it is satisfied that no violation of such restrictions will occur.

8. Adjustment By Stock Split, Stock Dividend, Etc. If at any time the Company increases or decreases the number of its outstanding shares of common stock, or changes in any way the rights and privileges of such shares, by means of the payment of a stock dividend or the making of any other distribution on such shares payable in its common stock, or through a stock split or subdivision of shares, or a consolidation or combination of shares, or through a reclassification or recapitalization involving its common stock, the numbers, rights and privileges of the shares of common stock included in the Option shall be increased, decreased or changed in like manner as if such shares had been issued and outstanding, fully paid and nonassessable at the time of such occurrence and the Option Price shall be correspondingly decreased, increased or otherwise changed. Whenever the number or kind of shares comprising the Option Shares or the Option Price is adjusted, the Company shall promptly give written notice to each holder of record of the outstanding Options, stating that such an adjustment has been effected and setting forth the number and kind of shares purchasable and the amount of the then-current Option Price, and stating in reasonable detail the facts requiring such adjustment and the calculation of such adjustment.

9. Reorganization And Reclassification. In case of any capital reorganization or any reclassification of the capital stock of the Company while the Options remain outstanding, the holder of the Options shall thereafter be entitled to purchase pursuant to the Options (in lieu of the kind and number of shares of Common Stock comprising Option Shares that such holder would have been entitled to purchase or acquire immediately before such reorganization or reclassification) the kind and number of shares of stock of any class or classes or other securities or property for or into which such shares of Common Stock would have been exchanged, converted, or reclassified if the Option Shares had been purchased immediately before such reorganization or reclassification. In case of any such reorganization or reclassification, appropriate provision (as determined by resolutions of the Board of Directors of the Company) shall be made with respect to the rights and interest thereafter of the holder of the Options, to the end that all the provisions of this Option Agreement (including adjustment provisions) shall thereafter be applicable, as nearly as reasonably practicable, in relation to such stock or other securities or property.

10. Registration Rights. Optionee shall have no registration rights unless otherwise agreed by the Company.

11. Common Stock To Be Received Upon Exercise. Optionee understands that (a) the Company is under no obligation to register the issuance of the Option Shares, and (b) in the absence of any such registration, the Option Shares cannot be sold unless they are sold pursuant to an exemption from registration under the 1933 Act. The Company is under no obligation to comply, or to assist the Optionee in complying, with any exemption from the registration requirement of the 1933 Act, including supplying the Optionee with any information necessary to permit routine sales of the Common Stock under Rule 144 of the Securities and Exchange Commission. Optionee also understands that routine sales of securities made in reliance upon Rule 144 can be made only in limited amounts in accordance with the terms and conditions of the Rule, and that in cases in which the Rule is inapplicable, compliance with another exemption under the 1933 Act will be required. Thus, the Option Shares will have to be held indefinitely in the absence of registration under the 1933 Act or an exemption from registration.

Furthermore, the Optionee fully understands that issuance of the Option Shares will not be registered under the 1933 Act and that, because the issuance of the Option Shares will not be registered, the Option Shares will be issued in reliance upon an exemption which is available only if Optionee acquires such shares for investment and not with a view to distribution. Optionee is familiar with the phrase "acquired for investment and not with a view to distribution" as it relates to the 1933 Act and the special meaning given to such term in various releases of the Securities and Exchange Commission.

12. Privilege Of Ownership. Optionee shall not have any of the rights of a stockholder with respect to the shares covered by the Option except to the extent that one or more certificates for those shares shall be delivered to him upon exercise of the Option.

13. Relationship To Employment. Nothing contained in this Agreement (i) shall confer upon the Optionee any right with respect to continuance of Optionee's employment by, or affiliation with, or relationship to, the Company, or (ii) shall interfere in any way with the right of the Company at any time to terminate the Optionee's employment by, position or affiliation with, or relationship to, the Company.

14. Notices. All notices, requests, demands, directions and other communications ("Notices") concerning this Agreement shall be in writing and shall be mailed or delivered personally or sent by telecopier or facsimile to the applicable party at the address of such party set forth below in this Section 13. When mailed, each such Notice shall be sent by first class, certified mail, return receipt requested, enclosed in a postage prepaid wrapper, and shall be effective on the fifth business day after it has been deposited in the mail. When delivered personally, each such Notice shall be effective when delivered to the address for the respective party set forth in this Section 13, provided that it is delivered on a business day and further provided that it is delivered prior to 5:00 p.m., local time of the party to whom the notice is being delivered, on that business day; otherwise, each such Notice shall be effective on the first business day occurring after the date on which the Notice is delivered. When sent by telecopier or facsimile, each such Notice shall be effective on the day on which it is sent provided that it is sent on a business day and further provided that it is sent prior to 5:00 p.m., local time of the party to whom the Notice is being sent, on that business day; otherwise, each such Notice shall be effective on the first business day occurring after the date on which the Notice is sent. Each Notice shall be addressed to the party to be notified as shown below:

(a) if to the Company: Chembio Diagnostics, Inc.
3661 Horseblock Road
Medford, New York, 11763
Facsimile No. (631) 924-6033
Attention: Larry Siebert

(b) if to the Optionee: _____

Either party may change its respective address for purposes of this Section 13 by giving the other party Notice of the new address in the manner set forth above.

15. General Provisions. This instrument (a) contains the entire agreement between the parties, (b) may not be amended nor may any rights hereunder be waived except by an instrument in writing signed by the party sought to be charged with such amendment or waiver, (c) shall be construed in accordance with, and governed by the laws of New York, and (d) shall be binding upon and shall inure to the benefit of the parties and their respective personal representatives and assigns, except as above set forth. All pronouns contained herein and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural as the identity of the parties hereto may require.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below to be effective on the date set forth in the first paragraph of this Agreement.

CHEMBIO DIAGNOSTICS, INC.

Date: _____

By: _____

Name and Title

OPTIONEE

Date: _____

Signature

Name and Title

Address

City, State and Zip Code

EXHIBIT A
(To Chembio Diagnostics, Inc.
Stock Option Agreement)

CHEMBIO DIAGNOSTICS, INC.

NOTICE AND AGREEMENT OF EXERCISE OF OPTION

The undersigned, _____ (the "Optionee"), hereby exercises the Optionee's Option pursuant to the Stock Option Agreement (the "Option Agreement") dated as of _____ between Optionee and Chembio Diagnostics, Inc. (the "Company") as to _____ shares of the \$.01 par value common stock (the "Option Shares") of the Company at a purchase price of \$ _____ per share. The total exercise price for these Option Shares is \$ _____.

Enclosed is the payment specified in Section 4 of the Option Agreement.

The Optionee understands that no Option Shares will be issued unless and until, in the opinion of the Company, there has been full compliance with, or an exemption from, any applicable registration requirements of the Securities Act of 1933, as amended (the "1933 Act"), any applicable listing requirements of any securities exchange on which stock of the same class is then listed, and any other requirements of law or any regulatory bodies having jurisdiction over such issuance and delivery. The undersigned Optionee hereby acknowledges represents warrants and agrees to and with the Company as follows:

- (a) The Optionee is acquiring the Option Shares for investment purposes only and the Option Shares that Optionee is acquiring will be held by Optionee without sale, transfer or other disposition for an indefinite period unless the transfer of those securities is subsequently registered under the federal securities laws or unless exemptions from registration are available;
- (b) Optionee's overall commitment to investments that are not readily marketable is not disproportionate to Optionee's net worth and Optionee's investment in the Option Shares will not cause such overall commitments to become excessive;
- (c) Optionee's financial condition is such that Optionee is under no present or contemplated future need to dispose of any portion of the Option Shares to satisfy any existing or contemplated undertaking, need or indebtedness;
- (d) Optionee has sufficient knowledge and experience in business and financial matters to evaluate, and Optionee has evaluated, the merits and risks of an investment in the Option Shares;
- (e) The address set forth on the signature page of this Notice is Optionee's true and correct residence, and Optionee has no present intention of becoming a resident of any other state or jurisdiction;
- (f) Optionee confirms that all documents, records and books pertaining to an investment in the Option Shares that have been requested by Optionee have been made available or delivered to Optionee. Without limiting the foregoing, Optionee has received and reviewed the Company's periodic reports as filed with the Securities and Exchange Commission, and Optionee has had the opportunity to discuss the acquisition of the Option and the Option Shares with the Company, and Optionee has obtained or been given access to all information concerning the Company that Optionee has requested;
- (g) Optionee has had the opportunity to ask questions of, and receive the answers from, the Company concerning the terms of the investment in the Option Shares and to receive additional information necessary to verify the accuracy of the information delivered to Optionee, to the extent that the Company possesses such information or can acquire it without unreasonable effort or expense;
- (h) Optionee understands that the Options have not been, and the Option Shares issuable upon exercise of the Options will not be, registered under the 1933 Act or any state securities laws in reliance on an exemption for private offerings, and no federal or state agency has made any finding or determination as to the fairness of this investment or any recommendation or endorsement of the sale of the Option Shares;
- (i) The Option Shares that Optionee is acquiring will be solely for Optionee's own account, for investment, and are not being purchased with a view to or for the resale, distribution, subdivision or fractionalization thereof. Optionee has no agreement or arrangement for any such resale, distribution, subdivision or fractionalization thereof;
- (j) Optionee acknowledges and is aware of the following:
 - (i) The Company has a history of losses. The Option Shares constitute a speculative investment and involve a high degree of risk of loss by Optionee of Optionee's total investment in the Option Shares.
 - (ii) There are substantial restrictions on the transferability of the Option Shares. The Option Shares cannot be transferred, pledged, hypothecated, sold or otherwise disposed of unless they are registered under the 1933 Act or an exemption from such registration is available and established to the satisfaction of the Company; investors in the Company have no rights to require that the Option Shares be registered; there is no right of presentment of the Option Shares and there is no obligation by the Company to repurchase any of the Option Shares; and, accordingly, Optionee may have to hold the Option Shares indefinitely and it may not be possible for Optionee to liquidate Optionee's investment in the Company.
 - (iii) Unless the issuance of the Option Shares is registered, each certificate issued representing the Option Shares shall be imprinted with a legend that sets forth a description of the restrictions on transferability of those securities, which legend will read substantially as follows:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AND ARE 'RESTRICTED SECURITIES' AS THAT TERM IS DEFINED IN RULE 144 UNDER THE 1933 ACT. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT."
- (k) The Optionee shall report all sales of Option Shares to the Company in writing on a form prescribed by the Company;
- (l) The Optionee will not sell or dispose of Optionee's Option Shares in violation of the 1933 Act, or of any other applicable federal or state securities laws; and
- (m) The Optionee agrees that the Company may, without liability for its good faith actions, place legend restrictions upon Optionee's Option Shares and issue "stop transfer" instructions requiring compliance with applicable securities laws and the terms of the Option Agreement.
- (n) If and so long as Optionee is subject to reporting requirements under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), Optionee recognizes that any sale by Optionee or Optionee's immediate family of the Company's \$.01 par value common stock may create liability for Optionee under Section 16(b) of the 1934 Act ("Section 16(b)"). Therefore, Optionee has consulted with Optionee's counsel regarding the application of Section 16(b) to this exercise of Optionee's Option.

(o) Optionee will consult with Optionee’s counsel regarding the application of Section 16(b) before Optionee can make any sale of the Company’s \$.01 par value common stock, including the Option Shares, and Optionee will furnish the Company with a copy of each Form 4 filed by Optionee and will timely file all reports that Optionee may be required to file under the federal securities laws.

The number of Option Shares specified above are to be issued in the name or names set forth below in the left-hand column.

(Print Your Name)

Signature of Optionee

(Optionee - Print Name of Spouse
if you wish joint registration)

Address

City, State and Zip Code

☐ 6 0 ;