

I, Jed D. Melnick, hereby declare as follows:

1. I was selected by the Lead Plaintiffs and the Defendants¹ (collectively, the “Parties”) to serve as the mediator in the above-captioned action. I make this declaration based on personal knowledge and am competent to testify to the matters set forth herein. The Parties have consented to my submitting this declaration, to the extent discussed herein, regarding the negotiations which led to the proposed settlement (the “Settlement”) of this matter and the subsequent negotiations which led to finalization of the proposed plan of allocation between the 1933 Act and 1934 Act claims. To be clear, this declaration is without waiver of any other aspect of the parties’ mediation and/or settlement privileges.

2. As discussed below, I believe that the Settlement in this class action for the total amount of \$8.1 million in cash – after a rigorous mediation process – represents a well-reasoned and sound resolution of the complicated and uncertain claims under the federal securities laws brought against the Defendants. Moreover, I believe Lead Plaintiffs’ proposed plan of allocation is a fair and reasonable way to distribute the net settlement fund. The plan of allocation assigns approximately 63% of the net settlement proceeds to those class members with recognized losses under the 1933 Act (from purchases directly in and or traceable to Chembio’s May 2020 secondary offering of stock), and the remaining proceeds to those class members who only have claims under the 1934 Act.

3. The Court, of course, will make determinations as to the “fairness” of the Settlement under governing law. From a mediator’s perspective, however, I recommend the

¹ The Defendants are Chembio Diagnostics, Inc. (“Chembio” or the “Company”); Richard L. Eberly, Gail S. Page, Neil A. Goldman, Javan Esfandiari, Katherine I. Davis, Dr. Mary Lake Polan, Dr. John G. Potthoff (the “Individual Defendants” and together with Chembio, the “Chembio Defendants”); and Robert W. Baird & Co. Inc., and Dougherty & Company LLC (the “Underwriter Defendants” and, with the Chembio Defendants (“Defendants”)).

proposed Settlement and plan of allocation as reasonable, arm's length, and consistent with the risks and potential rewards of the claims asserted against the Defendants.

4. I am a mediator associated with JAMS, Inc. I have mediated more than one thousand disputes, including complex securities class actions and shareholder derivative actions; published articles on mediation, founded a nationally ranked dispute resolution journal; and mentored young mediators.

5. I oversaw the settlement negotiations in this case, culminating in the Parties ultimately reaching an agreement to settle all the claims for \$8.1 million.

6. Following the Parties' agreement to select me as a mediator, in June and July 2022 the Parties prepared and exchanged detailed mediation statements and voluminous case-related materials addressing the facts, law applicable to the case, analysis of potential damages, and Chembio's ability to pay a potential judgment, if any.

7. Settlement negotiations commenced on July 14, 2022, when counsel for the Parties and representatives of Chembio's insurance carriers met with me and my staff in New York (either in person or via a Zoom conference) for a full-day mediation session. During the session, I met with each of the parties and carrier representations, and we discussed in detail the merits of the case, including liability and damages. We also discussed the Chembio Defendants' available resources to pay a potential judgment, if any, including the available but declining insurance resources.

8. The Parties were unable to reach an agreement at the July 14, 2022 mediation session. They continued negotiating through me, however, over the course of the next six weeks, including in numerous telephone conferences and over email. During these conferences, I continued to discuss with each of the parties' the relative strengths and weaknesses of their cases,

as well as the prospect of further litigation continuing to deplete the Chembio Defendants' insurance.

9. On August 26, 2022, and as a direct result of these further discussions, the parties reached an agreement in principle to settle all claims, including the Class's Sections 10(b), 20(a) and Sections 11, 12(a)(2) and 15 claims, for \$8.1 million. This agreement was subject to certain terms and conditions, and the execution of a customary "long form" stipulation and agreement of settlement and related papers.

10. Following the agreement between Lead Plaintiffs and Defendants to settle the matter in principle, I was contacted by co-Lead Counsel at Rolnick Kramer Sadighi LLP and Robbins Geller Rudman & Dowd LLP to assist with their negotiations over the plan of allocation.

11. On September 22, 2022, co-Lead Counsel met with me and my staff for a half-day discussion, via Zoom. During this session, we discussed in detail the relative strengths and weaknesses of the Class's claims under Section 10(b) and Section 11 theories, the amount of damages available under each, the number of potential Section 10(b) and/or Section 11 claimants, and the Defendants' reasons and motivations for settling and agreeing to the settlement amount they agreed to.

12. Specifically, we discussed that the Section 11 claims were comparatively stronger. This includes because they are (on a relative basis) easier to prove and had already been sustained against the Underwriter Defendants and re-pleaded against the Chembio Defendants following a dismissal without prejudice. There were, however, far fewer Class members with these claims, because Section 11 generally limits those who can claim in connection with a secondary offering of stock to those purchasers who bought directly in and/or traceable to the offering. In contrast, the Section 10(b) claims were weaker on the merits, having been dismissed with prejudice by the

District Court, but the potential overall damages were higher than the Section 11 claims and the number of claimants who could claim in relation to Section 10(b) was also comparatively much higher, because all secondary market purchasers had potential Section 10(b) claims.

13. As a result, money allocated to Section 11 claimants would lead to relatively higher per-damaged-share and per-claimant recoveries than money allocated to the Section 10(b) claims.

14. Lead Plaintiffs also discussed their intention to file an appeal of the dismissal of the 10(b) claims at the appropriate time, which could have resulted in those claims being reopened.

15. Lead Plaintiffs did not finalize the plan of allocation during the September 22, 2022 meeting. Over the following few weeks, however, I continued to assist co-Lead Counsel in further discussions and analyses of the plan for allocation of the \$8.1 million settlement proceeds between the Section 10(b) and Section 11 claims.

16. Ultimately, after considering all relevant factors and weighing each claim's strengths and weaknesses, as well as the relative size – and number of potential claimants – ascribed to each, co-Lead Counsel determined to allocate 63% of the net settlement proceeds to those class members with recognized losses under Section 11 and the remaining proceeds to those class members who only have claims under Section 10(b). As noted above, this 63% allocation is expected to result in an even more robust per-damaged-share and per-claimant recovery, because there are on a relative basis far fewer Class members on whose behalf Section 11 claims have been asserted.

17. Based on my involvement with the discussion process that led to this outcome, as well as my deep experience in mediating and helping to resolve cases under the federal securities laws, it is my opinion that this allocation represents a reasonable and well-founded distribution of the settlement proceeds between and among differently situated Class members.

18. Indeed, the entire Settlement and negotiation process involved significant disputed issues and vigorous, good faith, arm's-length negotiations.

19. As such, I recommend the \$8.1 million settlement amount, as well as Lead Plaintiffs' proposed plan of allocation, based on my intimate involvement in those negotiations, my review and analysis of the Parties' mediation submissions, extensive communications with the parties, and assessment of the litigation and other risks inherent in the lawsuit.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

DATED: April 19, 2023

Jed Melnick

Jed D. Melnick