

PSYCHEMEDICS CORPORATION
CODE OF ETHICS AND CONDUCT

As Revised on March 28, 2024

1.0 Introduction

Psychemedics has adopted this Code of Ethics and Conduct to communicate to all Psychemedics teammates the ethical and legal standards that we expect you to observe when dealing with Psychemedics, your Psychemedics colleagues, our clients and our suppliers.

The Code should be read in conjunction with the other policies and procedures that the Company has established from time to time, including, but not limited to, our Statement of Policy with respect to Related Party Transactions, our Anti-Bribery Policy, our Whistleblower Policy and our Employee Handbook. All of our employees, officers and directors must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. The Code should also be provided to and followed by the Company's agents and representatives, including consultants.

We expect all Psychemedics teammates to act ethically and obey the law. When you encounter ethical or legal issues where you are not certain about the correct course of action, you should use the principles described in this Code as guideposts in deciding how to proceed. We have adopted this Code to give you guidance for resolving these ethical and legal issues. In particular, this Code addresses the following general topics:

- Observing all laws and regulations
- Avoiding conflicts of interest
- Maintaining accurate and complete company records
- Protecting confidential information

Because rapid changes in our industry and in the law constantly present new issues, we cannot create guidelines that address all circumstances or constitute the definitive answer on any question. When you are in doubt about the correct or best course of action, you should always consider consulting your manager or our President for guidance.

We firmly believe that a strong commitment to ethical and legal conduct is essential for us to successfully achieve our objectives. We therefore require all of our Psychemedics teammates to comply with this Code. To help ensure this compliance, we have established a procedure for reporting suspected violations of the Code. Any violations of the Code may result

in disciplinary action, including termination of employment. These matters are described in more detail at the end of this Code.

Throughout this Code, we use the terms “Psychemedics people,” “teammates,” “you” and “your” to refer to all Psychemedics employees, directors and independent contractors, and the terms “Psychemedics,” the “Company,” “we” and “our” to refer to Psychemedics Corporation and any subsidiaries of the Company. We use the term “Code” to refer to this document, as it may be amended from time to time.

The Company is committed to fostering a workplace conducive to open communication regarding the Company's business practices and to protecting employees from unlawful retaliation and discrimination for their having properly disclosed or reported illegal or unethical conduct. In an effort to further this commitment, this policy: (i) establishes guidance for the treatment of verbal or written reports received by the Company regarding accounting, internal controls, auditing matters, disclosure, fraud and unethical business practices, whether submitted by Company employees or third parties (“Reports”); (ii) establishes guidance for providing Company employees a means to make Reports in a confidential and anonymous manner.

2.0 Observing all Laws and Regulations

2.1 Generally

We expect you to comply with all applicable local, state and federal laws and regulations, both domestic and international, and refrain from illegal, dishonest or unethical conduct. Although laws and regulations may sometimes be ambiguous and difficult to interpret, it is important to know enough to determine when to seek advice from supervisors, managers, or other appropriate personnel.

In addition, we expect you to comply with all Psychemedics policies and procedures which apply to you. These include, but are not limited to, our policies on equal opportunity, harassment, drug-free workplace, computer usage and information technology, data protection, expense reimbursement and travel, as well as our internal financial controls and procedures. We may modify or update these policies and procedures in the future and adopt new Company policies and procedures from time to time. You are also expected to observe the terms of any non-disclosure of confidential information, non-competition or other similar agreement that applies to you. If you previously signed one of these agreements with Psychemedics, it remains in full force and effect.

2.2 Ethical Dealings at Home and Abroad

The Company expects employee conduct to meet the Company's high ethical standards. These standards are reflected in how the Company interacts with government officials in the

United States, as well as overseas. These standards also apply to how the Company conducts international business, as well as what the Company sells and to whom.

Payments or gifts to government officials, whether in the United States or abroad are especially sensitive areas. The Company and all directors, officers and employees must avoid even the appearance of impropriety when working with officials (including government employees) regardless of whether they work for U.S. federal, state, municipal, or other public authorities or foreign governments. Remember, a director, officer and employee may not do indirectly anything that is prohibited to be done directly. This means that a director, officer and employee may not allow a third party to make an illegal offer, promise or payment on behalf of such director, officer, or employee or the Company.

Failure to meet these standards may result in violation of U.S. or foreign law. Violations can result in criminal or civil penalties for individuals and the Company. Violations can impact U.S. foreign policy and national security. In addition, these problems can result in the loss of business, as well as damaging publicity for the Company and its employees.

Generally speaking, U.S. laws from federal to local governments prohibit government employees from accepting gifts or entertainment in any form from any contractor or vendor doing (or seeking to do) business with the government. U.S. law generally prohibits anyone from offering anything of value, even promising something of value, to government officials to obtain or retain business or influence their discretion.

The same standards apply to the Company's dealings with non-U.S. government officials. The U.S. Foreign Corrupt Practices Act is one of several laws that prohibit improper payments or offers to foreign government officials, either directly or through a third party. No payment or offer may be made to obtain, retain or direct business or to gain any improper advantage. These same standards apply to "what the Company sells and to whom." The United States has export control laws designed to make sure that parties that would do harm to the United States do not acquire our sensitive technologies or otherwise do business with the Company.

2.4 Political Activity

We do not make contributions or payments that could be considered a contribution to political parties or candidates, or to intermediary organizations such as political action committees. However, you are free to exercise your right to make personal political contributions within legal limits, unless these contributions are otherwise prohibited by other Psychemedics policies. You should not make these contributions in a way that might appear to be an endorsement or contribution by Psychemedics. You should be certain that you understand, and are complying with, all such laws and regulations before making any political contributions. We will not reimburse you for political contributions in any way.

2.5 Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each director, officer and employee should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice(s).

2.6 Securities Laws and Insider Trading

The U.S. federal securities laws are built on the premise that a purchaser and a seller of securities should have equal access to important information regarding the company whose securities they are trading. Consequently, federal securities laws forbid an investor from purchasing or selling securities based upon "inside" information not available to the other party.

The consequences of insider trading violations can be severe. Psychemedics people who trade on inside information, or who communicate (or "tip") this information to others so that they may trade, may face a civil penalty of up to three times the profit gained (or loss avoided), a substantial criminal fine and a jail term of up to ten years. Additionally, if we or our senior officers do not take appropriate steps to prevent Psychemedics people from insider trading, we may also face severe legal consequences, including, among other things, substantial penalties.

2.6.1 Policy Statement

Psychemedics teammates who have material, nonpublic (i.e., "inside") information about the Company should not buy or sell Psychemedics securities (including derivative securities such as put and call options) until a reasonable time after the inside information has been publicly disclosed. You also should not disclose inside information to others outside Psychemedics until a reasonable time after the information has been publicly disclosed. In addition, it is never appropriate for you to advise others to buy or sell Psychemedics securities.

We further believe that it is highly inappropriate for any Psychemedics person to "sell short" Psychemedics stock or engage in other transactions where the person will earn a profit based on a decline in Psychemedics' stock price.

These rules also apply to the use of material, nonpublic information about other companies (including, for example, our customers, competitors and potential business partners).

2.6.2 Further Explanation

What is “inside information”? “Inside information” is material information about Psychemedics which has not been publicly disclosed. This information can relate to Psychemedics' financial condition, earnings or business, or to any important development in which we may be involved.

What information is “material”? Information is “material” if it is information that a reasonable investor might consider important in deciding whether to buy, sell or hold securities. Examples of information which may be material include: financial results or forecasts; a significant proposed acquisition or sale of a business; a stock split; significant litigation; and changes in customary earnings trends.

What information is “nonpublic”? Information is “nonpublic” until the time it has been effectively disclosed to the public. Effective disclosure occurs when information is included in a press release issued by Psychemedics, or is included in our public filings with the U.S. Securities and Exchange Commission.

What is a reasonable waiting period before purchases and sales can be made? The investing public must have sufficient time to analyze the information that has been disclosed before Psychemedics insiders can trade. For matters disclosed in a Psychemedics press release, a good rule of thumb is that purchases and sales can be made beginning 48 hours after the disclosure.

What transactions are prohibited? A Psychemedics person who has inside information about Psychemedics is prohibited from: (a) trading in Psychemedics securities (including derivative securities such as put and call options); (b) having others trade in Psychemedics securities for your benefit; and (c) disclosing the inside information to (or “tipping”) anyone else who might then trade. These prohibitions continue for as long as the information remains material and nonpublic.

What transactions are allowed? A Psychemedics person who has inside information about Psychemedics may, nonetheless exercise Psychemedics stock options for cash (but may not sell the option shares he or she receives upon the exercise). The exercise of a stock option with cash is allowed because the other party to the transactions is Psychemedics itself, and because the option exercise price does not vary with the market, but, rather, is fixed in advance under the terms of the option agreement.

2.6.3 Blackout Policy for Financial Insiders

In addition to our General Insider Trading Policy, which is summarized above, we have adopted the following “Blackout” Periods Trading Policy to help ensure compliance with insider trading laws. This policy applies to the Board of Directors, Executive Officers, Vice Presidents,

and selected others with access to sensitive Company information (collectively, “Financial Insiders”).

- No Financial Insider may purchase or sell Psychemedics securities (including derivative securities such as put and call options) during the following periods:
 - The period beginning two weeks before the end of a fiscal quarter and ending 48 hours after that quarter's public earnings release.
 - The period beginning with Psychemedics' public release of any material (previously nonpublic) information and ending 48 hours after the release.
 - Any other period established from time to time by our President or other Psychemedics executive officer by notice to such Financial Insider due to particular “inside information” concerning the Company (as discussed in the General Insider Trading Policy) to which the Financial Insider then has access.
- This “Blackout” Periods Trading Policy shall not apply to the exercise of a Psychemedics stock option for cash (but not the sale of the shares received upon exercise).

Each member of the Board of Directors and each Executive Officer should notify either our President or our Vice President - Finance before purchasing or selling any Psychemedics securities (including derivative securities such as put and call options), even if none of the “blackout” periods described above is in effect, and obtain clearance from the President or Vice President - Finance that the proposed purchase and sale complies with all securities laws and regulations, including the insider trading rules.

2.7 Government Contracting

In the event you are involved with Psychemedics business with federal, state or local government agencies in the United States or the other countries, you must know and abide by specific rules and regulations which govern relations with public agencies. If you have questions regarding the rules and regulations applicable to any governmental agency or that apply in a particular country, you should contact our President.

3.0 Avoiding Conflicts of Interest

3.1 Generally

All Psychemedics teammates have a duty of loyalty to act in the best interests of the Company. We expect you to avoid situations and relationships that involve actual or potential conflicts of interest. Generally, a conflict of interest arises whenever your personal interests diverge from your responsibilities to Psychemedics or from Psychemedics' best interests. Put another way, a conflict of interest is created whenever activity, association or relationship of yours might impair your independent exercise of judgment in Psychemedics' best interest.

Examples of situations that could be perceived as conflicts of interest and should be avoided include:

- Conducting Psychemedics business with a company owned, partially owned, or controlled by you or a member of your family.
- Ownership of a company that competes or does business with Psychemedics (other than the ownership of less than 1% of a company that is publicly traded or indirect ownership as a result of owning a widely-held mutual fund).
- Working as an employee or a consultant for a competitor, regulatory government entity, client or supplier of Psychemedics.
- Doing any work for a third party that may adversely affect your performance or judgment on the job or diminish your ability to devote the necessary time and attention to your duties.
- Appropriating or diverting to yourself or others any business opportunity or idea in which Psychemedics might have an interest. These situations (and others like them), where your loyalties to Psychemedics could be compromised, must be avoided. If you believe that you are involved in a potential conflict of interest, we expect you to discuss it with your manager or our President. If a conflict is determined to exist, you must disengage from the conflict situation or terminate your employment.

3.2 Use of Our Assets

You are responsible for the proper use of Psychemedics' physical resources and property, as well as its proprietary information.

Our offices, equipment, supplies and other resources may not be used for activities which are not related to your employment with Psychemedics, except for any activities that have been approved in writing in advance by us, or for personal usage that is minor in amount and reasonable. If you are found to be engaging in, or attempting, theft of any Psychemedics property, including documents, equipment, intellectual property, personal property of other employees, cash or any other items of value, you may be subject to immediate termination of

your employment and possible criminal proceedings. We expect you to report any theft or attempted theft to your manager or our President.

The obligation to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any non-public financial data and reports. Unauthorized use or distribution of this information is prohibited and it could also be illegal and result in civil or criminal penalties. All Company-provided equipment, software and communication systems, including without limitation voice mail, e-mail, Internet, file folders and personal computer systems, are the property of the Company and as such are provided to employees for business purposes only. The review, transmission, retrieval or storage of offensive, obscene or other inappropriate material via the Company's computing and communication systems, including via the Internet and electronic mail, is strictly prohibited. The use of the Company's e-mail system to send offensive or inappropriate statements, make solicitations or divulge confidential information is also prohibited.

The Company's proprietary methods and processes, and proprietary words, slogans, symbols, logos or other devices used to identify Psychemedics and its proprietary services and technologies are important business tools and valuable assets which require care in their use and treatment. You may not negotiate or enter into any agreement respecting Psychemedics' proprietary methods or processes, or any of the Company's patents, trade secrets, trademarks, service marks or logos without first consulting our President. We also respect the intellectual property rights of others, and any proposed new product, service or offering intended to be sold or provided to clients should be submitted to the Company's President for clearance prior to its adoption and use. Similarly, using the trademark or service mark of, or "referencing" for marketing purposes, another company (even one with whom Psychemedics has a business relationship), may require permission from the other company. You should avoid the unauthorized use of copyrighted or patented materials of others. In addition, simply because material is available for copying (such as content or images downloaded from the Internet) does not mean that it is automatically legal or permissible to copy or distribute. All copies of work that is authorized to be made available for ultimate distribution to the public (including all machine readable works such as computer software) should bear the prescribed form of copyright notice.

3.3 Gifts, Gratuities and Entertainment

3.3.1 Giving

You may not offer money, gifts or other items or services of value to customers or potential customers for the purpose of securing a contract or obtaining favorable treatment.

Business-connected favors or gifts may not be extended to customers or suppliers (current or prospective), unless they:

- Are consistent with customary business practices.
- Do not have substantial monetary value and would not be viewed as improper by others.
- Do not violate applicable laws or regulations.

Business entertainment in the form of meals and beverages may be offered only if these activities and related expenses are modest and infrequent. Other forms of entertainment (such as tickets to local sporting, civic or cultural events) are allowed only if reasonable, customary and not excessive.

3.3.2 Receiving

To avoid even the implication of impropriety, you should decline any gift, favor, entertainment or anything else of value from current or prospective customers, suppliers or contractors or their representatives except for:

- Gifts that do not have substantial monetary value given at holidays or other special occasions.
- Reasonable entertainment at lunch, dinner or business meetings where the return of the expenditure on a reciprocal basis is likely to occur and would be properly chargeable as a business expense.

Other routine entertainment that is business-related such as sports outings or cultural events is acceptable under this policy only if reasonable, customary and not excessive. Ultimately, you must exercise good business judgment in deciding which situations are unacceptable. If there is ever any doubt as to the acceptability of any entertainment activity, consult with your manager or our President.

3.4 Corporate Opportunities

All directors, officers and employees owe a duty to the Company to advance its interests when the opportunity arises. Employees, officers and directors are prohibited from taking for themselves personally (or for the benefit of friends or family members), opportunities that are discovered through the use of Company assets, property, information or position without the consent of the Board of Directors. Directors, officers and employees may not use Company

assets, property, information, or position for personal gain (including gain of friends or family members), and no employee may compete with the Company directly or indirectly.

3.5 Health and Safety

The Company strives to provide each employee with a safe and healthy work environment. Each employee has a responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs or alcohol in the workplace will not be tolerated. Violations by any employees or contractors of any safety protocol may result in disciplinary action, up to and including termination of employment or service.

3.6 Discrimination and Harassment

The diversity of the Company's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

4.0 Maintaining Accurate and Complete Company Records

4.1 Accounting and Financial Records

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked will be reported.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor or the Company's Vice President - Finance.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions, and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets shall not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's

record retention policies. In accordance with those policies, in the event of litigation or governmental investigation please consult the Vice President - Finance.

We are required under U.S. federal securities laws and generally accepted accounting principles to keep books, records and accounts that accurately reflect all transactions and to provide an adequate system of internal accounting and controls. We expect you to ensure that those portions of our books, records and accounts for which you have responsibility are valid, complete, accurate and supported by appropriate documentation in verifiable form.

If you become aware of any questionable transaction or accounting practice concerning Psychemedics or our assets, we expect you to report the matter immediately to our President. In addition, we expect you to report to our President all material off-balance-sheet transactions, arrangements and obligations, contingent or otherwise, and other Psychemedics relationships with unconsolidated entities or other persons that may have material current or future effects on our financial condition or results of operations, to the extent not adequately disclosed in our financial statements or in the notes to such statements.

Section 6.2 of this Code describes the procedure for making these reports. You may also make an anonymous report under Section 6.2 if you are not comfortable revealing your identity when making a report.

4.2 Disclosures to Investors

We are required under U.S. federal securities laws to provide the public with periodic disclosure regarding our business and financial condition (such as quarterly and annual reports and materials for our annual stockholders' meeting). We provide additional disclosures to the public through our quarterly earnings press releases. All Psychemedics teammates who participate in the preparation or dissemination of these disclosures, or who provide information that they know may be used in the preparation of these disclosures, have a legal and ethical duty to ensure that the content of the disclosures is accurate, complete and timely.

We have created disclosure controls and procedures which are designed to ensure that all public disclosures are accurate, complete and timely. If you become aware that our public disclosures are not accurate, complete and timely, or become aware of a transaction or development you believe may require disclosure, you should report the matter immediately to the Corporation's Vice President - Finance, or to the Corporation's President, or to the Company's Whistleblower Third-party Administrator in the manner set forth in Section 6.2.

4.3 Retention of Documents

Certain types of documents and records must be retained for specific periods of time, because of legal and regulatory requirements, or contractual obligations to our clients and

suppliers. We expect you to comply with the document retention requirements that apply in each jurisdiction in which you are working. If you are working with these types of documents and records or are uncertain whether the documents or records you are working with are subject to these “retention” requirements, please consult with your manager or our Vice President – Finance or our President for guidance. All related documentation in connection with allegations of financial fraud shall be maintained in secured files to which only our Whistleblower Third Party Administrator, and the Audit Committee members shall have full access.

Whenever you become aware that documents or records of any type may be required in connection with a lawsuit or government investigation, you must preserve all possibly relevant documents. This means that you must immediately stop disposing of or altering those documents pertaining to the subjects of the litigation or investigation, even if that activity is ordinary or routine. If you are uncertain whether documents or records under your control should be preserved because they might relate to a lawsuit or investigation, you should contact our President.

5.0 Protecting Confidential Information

5.1 Psychemedics’ Confidential Information

You will often have access to information that is private to Psychemedics, has not been made public and constitutes trade secrets or proprietary information. Protection of this information is critical to our ability to grow and compete.

Under the laws of most countries where we do business, trade secrets are legally protected property as long as they remain secret (meaning not generally or publicly known).

Your obligations with respect to our confidential trade secrets and proprietary information are:

- Not to disclose the information outside of Psychemedics.
- Not to use the information for any purpose except to benefit Psychemedics’ business.
- Not to disclose the information within Psychemedics, except to their Psychemedics teammates who need to know, or use, the information and are aware that it constitutes a trade secret or proprietary information.

These obligations continue even after you leave Psychemedics, until the information becomes publicly available or until we no longer consider it a trade secret or proprietary information. We remind you that you may have previously signed, as a condition of your employment, a non-disclosure of confidential information, non-competition or other similar

agreement that governs your obligations with respect to our information. Any documents, papers or records that contain trade secrets or proprietary information are our property and must remain at the Company.

Our confidential trade secrets and proprietary information may include, among other things, information regarding our proprietary methods and processes, our operations, business plans, customers, strategies, trade secrets, records, finances, assets, technology, and data, as well as other information that reveals the processes, methodologies, technology or “know how” by which our existing or future products, services, applications or methods of operation are developed, conducted or operated.

Our confidential proprietary information may also include, among other things, test results obtained from clients' employees and prospective employees and other confidential information supplied to us by clients that we have undertaken to hold on a confidential basis.

5.2 Obtaining Confidential Information

In the normal course of business, you will acquire information about many other organizations, including clients, prospective clients, suppliers and competitors under circumstances other than pursuant to confidentiality agreements with such organizations. This is a normal business activity and is not unethical in itself. We properly gather this kind of information for such purposes as evaluating clients' business needs. We also collect information on competitors from a variety of legitimate sources to evaluate the relative merits of our own services and methods.

There are, however, limits to the ways that this information should be acquired and used. You should not use information obtained from our clients or suppliers in any way that harms them or violates our contractual obligations to them. When working with sensitive information about clients or suppliers, you should use that information only for the purposes for which it was disclosed to you and make it available only to your Psychemedics teammates with a legitimate “need to know”.

You should not use illegitimate means to acquire a competitor's trade secrets or other confidential information. Illegal practices such as trespassing, burglary, wiretapping, bribery and stealing are obviously wrong. We will not tolerate any form of questionable intelligence-gathering.

In addition, we strive to protect the privacy of personal information of others. We will only collect, use, process, and disclose an individual's personal information in accordance with applicable law, our internal policies and our contractual obligations to our clients.

5.3 Inadvertent Disclosure

You should be careful to avoid the inadvertent disclosure of proprietary information. To avoid inadvertent disclosure, you should never discuss with any unauthorized person proprietary information that Psychemedics considers confidential or which we have not made public. You also should not discuss this information even with your Psychemedics teammates who are authorized to have such information if you are in locations where unauthorized people may overhear you, such as trade shows, airplanes or elevators, or when using non-secure electronic bulletin boards or databases. You should also not discuss this information with family members or with friends, because they may innocently or unintentionally pass the information on to someone else.

5.4 Contacts with Reporters, Analysts and Other Media

Because of the importance of the legal requirements regarding disclosure of certain information to our investors, we must make certain that any information regarding our business, financial condition or operating results that is released to the public is accurate and consistent. As a result, you should not discuss internal Psychemedics matters with anyone outside of Psychemedics, except as clearly required in the performance of your job duties. This prohibition applies particularly to inquiries about Psychemedics made by the news media, securities analysts and investors. All responses to these inquiries must be made only by authorized persons: only our President (and investor relations officers or other individuals specifically designated by him) is authorized to discuss information about Psychemedics with the news media, securities analysts and investors. If you receive inquiries from these sources, you should immediately refer them to our President.

6.0 Administration of this Code

6.1 Ongoing Review of Compliance

We require all of our Psychemedics teammates to comply with this Code. Upon your receipt of this Code, and also from time to time as we deem to be necessary, we may require you to sign an acknowledgement confirming that you have read and understood the Code and agree to comply with its provisions. We reserve the right to monitor your continuing compliance with the of this Code and to investigate any suspected violations. If substantiated, these violations could result in disciplinary action, as described more fully in the following sections.

6.2 Violations

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt, about the best course of action in a particular situation. Employees are expected to cooperate in internal investigations of misconduct. Employees must read the Company's Whistleblower Policy which describes the

Company's procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters. Any employee may submit a good faith concern regarding questionable accounting or auditing matters without fear of dismissal or retaliation of any kind. If any director, officer or employee violates this Code, he or she will be subject to disciplinary action. Supervisors and managers of a disciplined employee may also be subject to disciplinary action for their failure to properly oversee an employee's conduct or for retaliation against an employee who reports a violation. The Company's response to misconduct will depend upon a number of factors, including whether the improper behavior involved illegal conduct. Disciplinary action may include, but is not limited to, reprimands, warnings, probation, suspension, demotion, reassignment, reduction in salary or immediate termination. Employees should be aware that certain actions and omissions prohibited by the Code might be crimes that could lead to individual criminal prosecution and, upon conviction, to fines and imprisonment.

If you are not comfortable revealing your identity when making a report, you can furnish your report on a confidential basis by phoning or emailing it to our Whistleblower Third Party Administrator. Any such Report will be forwarded by such firm to the Chair of the Audit Committee of the Board of Directors. Our Whistleblower Third Party Administrator will maintain a log of all complaints, tracking their receipt, investigation and resolution and shall prepare a periodic summary report thereof for the Audit Committee.

The name, address and other contact information for our President, our Vice President - Finance, and our Whistleblower Third Party Administrator, and other senior executive and financial executives at the Company are set forth in the Appendix to this Code.

Because failure to report criminal activity can itself be understood to condone the crime, we emphasize the importance of reporting. For both criminal activity and other violations of this Code, failure to report knowledge of wrongdoing may result in disciplinary action against those who fail to report.

6.3 Non-Retaliation

Retaliation in any form against a Psychemedics person who reports a violation of this Code (even if the report is mistaken but was submitted in the good faith belief it was correct) or who assists in the investigation of a reported violation is itself a serious violation of this Code. Acts of retaliation should be reported immediately and may result in severe disciplinary action.

6.4 Investigation of Suspected Violations

Suspected violations will be investigated under the supervision of our Audit Committee. You are expected to cooperate in the investigation of reported violations. When practical and appropriate under the circumstances, and in order to protect the privacy of the persons involved,

those people investigating the suspected violation will attempt to keep confidential the identity of someone who reports a suspected violation or who participates in the investigation. There may be situations, however, when this information must be disclosed as part of our investigation.

The Audit Committee of our Board of Directors has ultimate responsibility for final interpretation of this Code and for determining whether any violations of this Code have occurred.

6.5 Special Provisions Applicable to Financial Executives

Given the important position of trust and authority that they occupy, our President and our Vice President - Finance (collectively, the "Financial Executives") should act extremely cautiously in interpreting and applying this Code. Financial Executives should consult with the Chair of our Audit Committee with respect to any proposed actions or arrangements regarding financial matters that are not clearly consistent with the Code. In the event that a Financial Executive wishes to engage in a proposed action or arrangement that is not consistent with the Code, the Financial Executive must obtain a waiver of the relevant Code provisions in advance from our Audit Committee.

The Sarbanes-Oxley Act of 2002 imposes certain reporting requirements on Psychemedics with respect to our Financial Executives' compliance with the Code. In accordance with these requirements, we will publicly report on a Current Report on Form 8-K any waivers of any provision of the Code granted by our Audit Committee or our Board of Directors to any Financial Executive. Violations of the Code by our Financial Executives may also be immediately reported on Form 8-K.

6.6 Revisions and Updates to this Code

This Code may be revised, changed or amended at any time by our Board of Directors. In addition, the provision in this Code affecting financial matters may be revised, changed or amended at any time by the Audit Committee of our Board of Directors. Following any material revisions or updates, an updated version of this Code will be distributed to you or posted on the Company's website, and will supersede the prior version of this Code effective upon distribution. We may ask you to sign an acknowledgement confirming that you have read and understood the revised version of the Code, and that you agree to comply with its provisions.

6.7 Conflict with Employee Manual

In the event this Code conflicts with any employee manual or any written insider trading policy previously distributed to you, then the provisions of this Code shall prevail.

6.8 Important Disclaimers

This Code reflects general principles to guide you in making ethical decisions and cannot, and is not intended to, address every specific situation in which we may find it appropriate to take disciplinary action. This Code is not intended to create any contract (express or implied) with you, including without limitation any employment contract, or to constitute any promise that your employment will be not terminated except for cause.

APPENDIX
 TO
 PSYCHEMEDICS CORPORATION
 CODE OF ETHICS AND CONDUCT
 Rev. March 28, 2024

<u>Position</u>	<u>Name</u>	<u>Address, telephone number Fax number, e-mail address</u>
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