FINANCIAL INFORMATION INTEGRITY POLICY

OF

IBIS TECHNOLOGY CORPORATION

(as adopted by the Audit Committee of the Board of Directors of
IBIS Technology Corporation, February 19, 2004)

As a public company, the integrity of the financial information of Ibis Technology Corporation, a Massachusetts corporation (the "Company") is paramount. The Company's financial information guides the decisions of the Board of Directors of the Company (the "Board of Directors"), and is relied upon by our stockholders and the financial markets. For these reasons, we must maintain a workplace where employees, when they reasonably believe that they are aware of questionable accounting, internal accounting controls, or auditing matters, or the reporting of fraudulent financial information, can raise these concerns free of any discrimination, retaliation or harassment.

Therefore, this policy, which applies to all Company directors, officers and employees, is intended to encourage directors, officers and employees, when they reasonably believe that questionable accounting or auditing conduct or practices have occurred or are occurring, to report those concerns to their immediate supervisor, Cosmo Trapani, Chairman of the Audit Committee ("Audit Committee Chairman") or Lawrence Gennari, outside General Counsel. Alternatively, anyone may raise those concerns anonymously by leaving an anonymous message on our hotline. All reports will be taken seriously and will be promptly investigated. The specific action taken in any particular case depends on the nature and gravity of the conduct or circumstances reported, and the quality of the information provided. Where questionable accounting or auditing conduct or practices have occurred, or fraudulent financing information has been reported, those matters will be corrected and, if appropriate, the persons responsible will be disciplined.

In addition, the Company is committed to providing a work environment in which employees, when they reasonably believe that questionable accounting or auditing matters have occurred, or that fraudulent financial information has been reported, can raise those concerns free of discrimination, retaliation or harassment. Accordingly, the Company strictly prohibits discrimination, retaliation or harassment of any kind against any employee who, based on the employee's reasonable belief that such conduct or practices have occurred or are occurring, reports that information to the employee's supervisor, or those designated in this policy (this "Policy") as having the authority to investigate, discover or terminate any such conduct or practices.

Reporting and Investigation

If you have reason to believe that you have become aware of questionable accounting or auditing matters, or the reporting of fraudulent financial information, **you must immediately report those facts to your immediate supervisor, to the Audit Committee Chairman or outside General Counsel.** You may then be requested to document your report in writing. If you have reason to believe that both of those individuals are involved in these matters, you should report those facts to the Audit Committee of the Company's Board of Directors.

If you later believe that you have been subject to discrimination, retaliation or harassment for having made a report under this Policy, **you must immediately report those facts to your immediate supervisor, Audit Committee Chairman or outside General Counsel, or all of the above.** If, for any reason, you do not feel comfortable discussing the matter with your immediate supervisor, Audit Committee Chairman or outside General Counsel, you should bring the matter to the attention of the supervisor of your immediate supervisor, and if you are not comfortable with discussing the matter with any of those individuals, you should bring the matter to the attention of the Human Resource Manager. It is imperative that you bring the matter to the Company's attention promptly so that any concern of discrimination, retaliation or harassment can be investigated and addressed promptly and appropriately.

You may also report your concerns anonymously by sending an anonymous letter to any of the individuals noted above.

The Audit Committee Chairman may be contacted via telephone 781-599-0685 or e-mail at c.trapani@comcast.net. Our outside General Counsel may be contacted via telephone 617-248-5288 or e-mail at lgennari@choate.com. The Company's anonymous hotline is 978-539-2233.

All complaints under this Policy will be promptly and thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. All employees and supervisors have a duty to cooperate in the investigation of reports of questionable accounting or auditing matters, or the reporting of fraudulent financial information, or of discrimination, retaliation or harassment resulting from the reporting or investigation of such matters. In addition, an employee shall be subject to disciplinary action, including the termination of their employment, if the employee fails to cooperate in an investigation, or deliberately provides false information during an investigation. If, at the conclusion of its investigation, the Company determines that a violation of policy has occurred, the Company will take effective remedial action commensurate with the severity of the offense. This remedial action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of policy.

Discrimination, Retaliation or Harassment

The Company strictly prohibits any discrimination, retaliation or harassment against any person who reports incidents of questionable accounting or auditing matters, or the reporting of fraudulent financial information, based on the person's reasonable belief that such misconduct occurred. The Company also strictly prohibits any discrimination, retaliation or harassment against any person who participates in an investigation of complaints about questionable accounting or auditing matters, or of the reporting of fraudulent financial information.

Any complaint that any manager, supervisor, or employee is involved in discrimination, retaliation or harassment related to the reporting or investigation of questionable accounting or auditing matters, or the reporting of fraudulent financial information, shall be promptly and thoroughly investigated in accordance with the Company's investigation procedures outlined above. If a complaint of discrimination, retaliation or harassment is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

Additional Enforcement Information

In addition to the Company's internal complaint procedure, employees should also be aware that certain federal and state law enforcement agencies are authorized to review questionable accounting or auditing matters, or potentially fraudulent reports of financial information. The Company's policies and practices have been developed as a guide to our legal and ethical responsibilities to achieve and maintain the highest business standards. Conduct that violates the Company's policies will be viewed as unacceptable under the terms of employment at the Company. Certain violations of the Company's policies and practices could even subject the Company and any individual employees involved to civil and criminal penalties. Before issues or behavior can rise to that level, employees are encouraged to report questionable accounting or auditing matters, suspicion of fraudulent financial information, or discrimination, retaliation or harassment related to such reports. Nothing in this Policy is intended to prevent an employee from reporting information to the appropriate agency when the employee has reasonable cause to believe that the violation of a federal or state statute or regulation has occurred.

Modification

Only the Company's Board of Directors can waive, amend or modify this Policy unilaterally at any time without notice and any such waiver for the Company's directors or officers (including the reasons for such waiver) must be disclosed as required by law or regulation.