

Veeco Instruments Inc.

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Chairman & CEO Ed Braun's Message to Employees Regarding Veeco's Code of Business Conduct:

As Veeco continues to grow, we need to maintain a valued relationship with our employees, our customers, our suppliers and our shareholders. Our worldwide reputation for honest and reliable business conduct, built by so many people over so many years, is tested and proven in each business transaction we make.

Today's Veeco is far more dynamic, globally directed and customer-driven than ever before. We are constantly striving to push our technology to new heights, improve our products, better support our customers and interact more effectively with all of our constituents. But, as with other global companies, our quest for competitive excellence begins and ends with our commitment to lawful and ethical conduct. As a global company, we must create and follow a set of global rules.

While we have practiced a Code of Business Conduct for many years, new regulations make it imperative that we proactively communicate these to our employees and our shareholders. The stakes are high in today's business environment, and, especially while skepticism of corporate activities persists, we must meet and surpass requirements and expectations.

The attached Code of Business Conduct does not describe all of the details or all of the applicable laws, regulations and Company policies. Rather, it seeks to explain those that our employees are most likely to encounter in their day-to-day activities. Since no code of conduct can anticipate and cover every business situation, common sense and good judgement are your best guides.

Compliance with this Code is a shared responsibility between the Company and its employees. The Company is responsible for defining how Veeco will comply with laws and regulations, monitor our efforts and correct any non-compliance. You are each individually responsible for understanding and following the standards described in this document and for seeking guidance when you need it. I, and all Veeco leaders, have the additional responsibility of nurturing a culture in which compliance with Veeco policy and applicable law is at the very core of our business activities. It is, and must be, the way we work.

It is your responsibility to read through this document and ask questions of your management if any areas are unclear. I ask you to apply these principles faithfully. Compromising them may jeopardize Veeco's reputation and future potential – and therefore your own. As you interact with customers, suppliers and the general public, remember, you are the face of Veeco.

Sincerely,

Edward H. Braun
Chairman and CEO

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	APPROVED BY:	Edward H. Braun
SUBJECT: CODE OF BUSINESS CONDUCT (SUPERCEDES BUSINESS ETHICS POLICY DATED 10/2/95)		

PURPOSE

It is the responsibility of the management of Veeco Instruments Inc. (“Veeco” or the “Company”) to maintain awareness of the laws and regulations applicable to Veeco’s business operations. This Code of Business Conduct is designed to promote high ethical standards and full compliance with applicable laws and regulations. Our strong commitment to these standards enhances our reputation for integrity, which is integral to our ability to attract and retain customers and employees. This commitment reduces the risk of expensive fines and liability, thereby protecting the investment of our shareholders.

POLICY

Ethical Standards of Conduct

Veeco Instruments Inc. is committed to maintaining the highest ethical standards in the conduct of its business. To assure our long-term success, we apply these standards in the interests of our customers, employees, suppliers, shareholders, the communities in which we work and the public at large.

The information in this Code is designed to help us work through most business issues and dilemmas in an ethical manner. However, the resolution to some issues may not be obvious. In those situations, it is important to take the extra time to think through these questions:

- Do I really understand the facts and the consequences of this and have I thought carefully about the available options?
- Will this appear appropriate to others, or would I be embarrassed if someone knew?
- Is this consistent with the long term interests of Veeco from the perspective of our shareholders, our customers, and everyone else interested in our success?

We expect Veeco’s management to meet the highest levels of honesty, integrity, objectivity and independence, and to set a visible example of commitment to the standards of this Code of Business Conduct.

Conflict of Interest

Generally, Veeco employees may conduct their personal affairs as they wish. However, there are certain situations and activities that may have the potential of interfering with an employee’s

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responsibilities to Veeco or create a conflict between their interests and those of the Company. It is the responsibility of every employee to recognize and avoid any of the following situations:

- (1) Any personal business transaction that may conflict with the interests of the Company. For example, this would include purchases of supplies by Veeco from an employee or a company in which an employee or a member of the employee's family had a significant interest.
- (2) Any financial interest, present or future, which might influence the performance of employee responsibilities in a manner adverse to the Company, such as a significant investment position in a customer or supplier.
- (3) Any outside employment that would interfere with the fulfillment of job requirements or reflect adversely on the Company. For example, this would include employment by a customer, supplier or competitor of Veeco or work by an employee for himself or herself in an activity related to or competitive with Veeco's business.
- (4) Any gift of more than nominal value to a Veeco employee by an individual or a company that does, or is seeking to do, business with Veeco. The receipt of nominal gifts (not in cash or cash equivalents), occasional meals and reasonable business entertainment generally do not create a conflict of interest.
- (5) Employment of relatives of management personnel, or any influence by a manager in the employment or placement of relatives.

Moreover, any conduct or decision that furthers an employee's interests at the expense of Veeco's interests is considered unethical. Employees acting in an unethical manner are subject to discipline up to and including termination for cause.

Veeco management will give priority to addressing any ethical concerns that an employee may have, and is responsible for ensuring the proper handling of any actual or apparent conflict of interest that may arise.

Sensitive Payments

At Veeco we believe in competition based on our ability to design, develop, manufacture and provide quality products and services. Employees must never give gifts, payments, or the like, to existing or potential customers, suppliers, individuals or governmental agencies for the purpose of influencing the recipient's judgment about Veeco products and services, or offer anything of value to obtain any improper advantage when making sales. No payments may be made to any government official, customer or anyone else to obtain, retain or affect the timing of business, except where appropriate to expedite routine government actions in countries where such

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payments are legal and normal business practice. This applies to indirect payments made through agents, consultants or other third parties as well as direct payments.

While all employees are encouraged to participate as private citizens in the political process, this must be done in a manner that does not interfere with satisfactory work performance. In general, no political contributions should be made on behalf of the Company.

The giving of nominal gifts (not in cash or cash equivalents), occasional meals and reasonable business entertainment is generally not considered an improper influence or taking improper advantage, but employees should seek guidance from their supervisor in the event of any doubts.

Financial Reporting and Disclosure Standards

Veeco requires honest and accurate recording and reporting of information in order to make responsible business decisions and to meet legal, financial, regulatory and management obligations. No payment on behalf of Veeco should be made without adequate supporting documentation or for any purpose other than that described in the documentation. Under no circumstances may any employee establish an undisclosed or unrecorded account or fund on behalf of Veeco.

All reporting and disclosure of financial information must be full, accurate, timely and understandable, it must be properly accounted for in the appropriate books and records of the Company in accordance with Veeco's financial policies and procedures, and must fairly represent the Company's financial position.

Due Authorization of All Transactions

All transactions must be executed in accordance with management's general or specific authorization, and no Company resources may be used for any unlawful or improper purpose, whether or not disclosed.

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Audit and Disclosure

Veeco's internal auditors and Veeco's independent auditors are to be given full access to all information within the Company necessary or appropriate for them to fulfill their responsibilities. All appropriate financial and non-financial information should be communicated accurately and on a timely basis by the proper Veeco personnel to management, the SEC, Veeco's shareholders, Veeco's independent auditors and other authorized agencies and institutions.

Veeco is a Nasdaq listed company, and the communication of material nonpublic information (also known as "inside information") outside of the Company is strictly regulated by U.S securities laws, which are intended to provide all investors with equal access to material information about a listed company at the same time. Any information that could reasonably affect an investor's decision to purchase or sell our stock is material. Information isn't "public" unless it has been effectively disclosed in a manner sufficient to assure its availability to the investing public. It can be illegal for an employee to pass inside information on to a third party that is buying or selling stock, even if that employee receives no financial benefit for doing so.

All calls from analysts, investors or other members of the financial and investment community, and all calls from the press and media must be referred to Veeco's CEO, CFO or VP of Investor Relations. Employees should not post or share nonpublic information about Veeco with any person outside the Company in any manner, including, without limitation, in Internet discussion groups, chat rooms, message boards or other electronic media, even under an alias, for any purpose.

Legal Compliance

It is the Company's policy to comply with all applicable laws and regulations, and it is management's responsibility to maintain awareness of those rules as they apply to our work. Veeco has established certain standards for complying with specific legal issues, and it is up to all employees to familiarize themselves with those standards, ask any questions that they may have, and to report any concerns about compliance.

Stock Trading

Employees must not buy or sell Veeco stock or publicly traded options on Veeco stock while in possession of material non-public information. Legal consequences for the Company and the employee could be severe if this policy is violated. It is no excuse that the reasons for trading were not based on that information. In addition, employees should only buy or sell Veeco stock

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in compliance with Veeco's Securities Trading Policy, including any applicable "safe" trading period announced thereunder. An employee with material non-public information may not buy or sell Veeco stock even during an otherwise "safe" period.

Antitrust and Unfair Competition

Veeco competes aggressively but fairly in the marketplace. No agreement or understanding may be made with competitors to fix or control prices, to allocate products, markets or territories, to refrain from or limit the manufacture, sale or production of any product, or otherwise restrict competition. Whenever employees are involved in trade association activities or in other situations where there is communication among competitors, they must be especially alert to ethical and legal requirements.

It is a serious violation of Veeco policy to:

- (1) Fail to warn a customer of any known dangers in connection with the use of our products;
- (2) Make false or misleading claims or comments about Veeco products or competitors' products; or
- (3) Cause customers or suppliers of our competitors to breach their contracts with such competitors.

Export Control Laws

Veeco provides its products and services to companies in countries in different parts of the world. Our ability to do business internationally depends on our ability to comply with U.S. export control laws and regulations and to operate under U.S. export licenses. Any violation of United States regulations governing the international sales of our products could cause serious long-term damage to our business. When exporting or re-exporting products, spare parts, accessories, training materials and technical information, all employees must comply with applicable U.S. Department of Commerce regulations. Care must also be taken when disclosing restricted technical information to a non-U.S. citizen in the United States or abroad, as well as in screening customers and transactions that could possibly violate export controls.

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Business Conduct

Confidentiality

In the course of employment at Veeco, employees may become aware of confidential information concerning the Company and its employees and its current or potential customers, suppliers, strategic partners and/or proposed business dealings. Employees shall not, during or after employment, use or disclose confidential information without the prior written consent of the Company, except for legitimate business purposes in furtherance of Veeco's interests.

Information Technology and Privacy

Veeco's telephone system, voicemail, computers, software and networks, including the workstations and laptops provided to Veeco employees, are the property of Veeco and are provided for business purposes. Electronic records such as voicemail and e-mail messages and computer files that are produced using Veeco IT resources are Veeco property. In the ordinary course of its business, the Company has the right to review the information contained in its systems and equipment. Therefore employees should have no personal expectation that any information transmitted or received over Veeco equipment and systems, or stored on Veeco computers or telephone systems, is or will remain private.

Although limited personal use of Veeco IT resources is allowed, employees may not use the system to store, download or distribute inappropriate or legally objectionable materials, or for other illegal or improper activities.

Employees should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterization of people and companies in e-mail and internal memos as well as in formal reports.

Employment Practices

Veeco is thoroughly committed to equal opportunity in employment, training and promotion, and practices and encourages fair and non-discriminatory employment practices. It is Veeco policy to select, train, and promote the best qualified person for each position in the organization.

We do not discriminate against job applicants or employees because of race, religion, color, national origin, gender, age, veteran status, handicap or disability--nor for any other reason unrelated to how people can and do perform their jobs.

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All employees are expected to treat each other in a professional manner based on mutual respect, trust and individual dignity. Actions and words that are hostile, improper or offensive must be avoided under all circumstances. Behavior that is offensive, intimidates or unreasonably disrupts another person in his or her work is unacceptable and will not be tolerated.

Environment, Health and Safety

Veeco is committed to excellence in environmental, health and safety (EH&S) performance. It is the Company's policy to conduct all aspects of our operations in a manner that protects human health and the environment, and that meets or exceeds all applicable laws, regulations and industry codes of practice. All employees must adopt safe work practices, and make sure that they are aware of all legal requirements and Veeco EH&S policies applicable to their work. Particular care is required in any work involving hazardous or other regulated materials, wastes, or any discharges into the environment. Any doubts about the safety of working conditions or practices, or the applicability or meaning of a particular environmental, health or safety law or policy, should be reported immediately to a supervisor, Human Resources or the person serving as local EH&S coordinator.

Accountability and Internal Reporting

Accountability

At Veeco we place heavy reliance on individual good judgment and character, and depend on all employees to review this Code of Business Conduct on a regular basis and consult with colleagues, supervisors and other members of management whenever a question regarding conduct under these standards arises. If you are not sure of what the proper thing to do is, speak up and get the advice and guidance you need. Advancement within the Veeco organization depends to a significant degree on management's assessment of an employee's ability to recognize the issues and conform to the standards explained in this Code. Noncompliance, and in some cases failure to report a violation, can be grounds for disciplinary action, including possible termination of employment and financial restitution.

All employees should receive a copy of this Code of Business Conduct upon employment or relocation, at the time of significant promotions and on an annual or other periodic basis. They should be encouraged to read it and ask questions, and new employees and management personnel should be asked to sign an acknowledgment form. The Manager of Human Resources, the General Counsel and other department heads, as well as the manager of each of the Company's business units, will make themselves available to assist with interpretation and guidance.

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It is the responsibility of all supervisors to make sure that reported issues of concern are brought to the attention of the appropriate level of management, and where the conduct of supervisory personnel is in question, the appropriate level is top management. No retaliation of any kind for good faith reporting of issues or concerns will be tolerated.

This Code of Business Conduct also applies to non-employee members of Veeco's Board of Directors during their service on the Board, except with regard to conflicts of interest which are more specifically addressed in guidelines adopted by the Board of Directors.

Reporting of Concerns or Violations

The Company is committed to maintaining a culture of high ethical standards as well as trust and open communication, and it is up to all employees to raise concerns, ask questions, and make sure that they understand these ethical standards. Usually the first place for an employee to go with questions or concerns is to their supervisor, but all employees are also free to raise questions and concerns with the Legal, Human Resources and Finance departments. If an employee has first-hand, direct information, or other information from any source that they reasonably believe to be credible, indicating that questionable conduct may in fact be taking place in the Company, that employee is strongly encouraged to report that information promptly to the General Manager, Veeco's General Counsel or Vice President of Human Resources, or, if the matter relates to the type of issues described above under "Sensitive Payments" or "Financial Reporting and Disclosure Standards," to Veeco's Chief Financial Officer or Chief Accounting Officer.

If for any reason an employee is uncomfortable speaking with his or her supervisor or any of the other individuals referred to above, they are encouraged to report the information by mail sent to the attention of those officers at Veeco corporate headquarters or by telephone to the Company's ethics hotline at the telephone number listed on the Company's internal website. If confidential treatment is requested, the name of the party submitting the information will be revealed only to the recipient, the General Counsel, and, if the General Counsel deems appropriate, to Board of Directors or one of its committees (as well as to other appropriate persons if the General Counsel, the Board or one of its Committees determine it advisable for proper handling of the report). A report may also be submitted with a request for anonymity, in which case it would be a violation of Company policy for any employee to seek to determine the sender's identity or to divulge that information if they somehow become aware of it.

Veeco employees at all levels are prohibited from taking retribution against anyone for reporting or supplying information about a concern, even if an allegation made in good faith ultimately

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turns out to be groundless. However, any employee who deliberately makes a false accusation with the sole purpose of harming or retaliating against another employee or the Company may be subject to disciplinary action. Veeco's policy protecting against retaliation does not preclude the Company from making lawful and legitimate employment decisions in the ordinary course of business.

Investigation of Reported Violations

If management is informed of credible evidence of a violation of this Code of Business Conduct, it will consult, as it deems appropriate in the best interests of Veeco, with Veeco's General Counsel or other experts or advisors for the purpose of evaluating the gravity and credibility of the information and determining whether further inquiry is necessary or appropriate regarding the possible violation. Veeco's General Counsel is responsible for overseeing the review and/or investigation of serious reported violations, or for referring such matters to the Board of Directors or one of its independent committees. Investigations of serious matters may be conducted by, or under the supervision of, Veeco's General Counsel or outside attorneys, and additional expert personnel will be involved if necessary.

Disciplinary Measures

If the Company determines that an employee has violated this Code of Business Conduct or any of the laws and regulations that govern our business, appropriate action will be taken. Depending on the nature, severity, and frequency of an employee's violation, Veeco will take appropriate disciplinary actions up to and including demotion, termination, claims for reimbursement of losses or damages, and civil prosecution. Discipline will be handled fairly and consistently. Violations of the law may also result in criminal penalties.

Waivers

The Chief Executive Officer may grant a specific, limited waiver of any provision of this Code of Business Conduct for a non-executive employee if he determines, after careful consideration of the circumstances, that such a waiver is in the best interests of the Company. Waiver of any of the provisions of this Code of Business Conduct for an executive officer or a member of the Board of Directors may only be made by the Board of Directors and will be promptly disclosed to the shareholders of Veeco with an explanation of the reasons for the waiver.

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