

November 18, 2009

STRASBAUGH

EMPLOYEE COMPLAINT PROCEDURES FOR ACCOUNTING AND AUDITING MATTERS

Any employee of Strasbaugh or Strasbaugh's subsidiaries may submit a good faith complaint regarding accounting or auditing matters to the management of Strasbaugh without fear of dismissal or retaliation of any kind. We are committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. Our Audit Committee will oversee treatment of employee concerns in this area.

In order to facilitate the reporting of employee complaints, Strasbaugh's Audit Committee has established the following procedures for (i) the receipt, retention and treatment of complaints regarding, accounting, internal accounting controls, or auditing matters ("Accounting Matters") and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Receipt of Employee Complaints

Employee complaints will be handled by the Audit Committee as follows:

- Employees with concerns regarding Accounting Matters may report their concerns to Dan O'hare, Chairman of the Audit Committee.
- Employees may forward complaints on a confidential or anonymous basis to Dan O'hare, Chairman of the Audit Committee, through a telephone call, fax, or e-mail. Mr. O'hare's contact information is as follows:

Daniel J. O'Hare, C.P.A.
GBP&B Tax and Business Advisors
805-544-1441 Main
805-593-1308 FAX
djohare@gbpb.com

Scope of Matters Covered by These Procedures

These procedures relate to employee complaints relating to any questionable accounting or auditing matters, including, without limitation, the following:

- Fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of Strasbaugh;
- Fraud or deliberate error in the recording and maintaining of financial records of Strasbaugh;
- Deficiencies in or noncompliance with Strasbaugh's internal accounting controls;

- Misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of Strasbaugh; or
- Deviation from full and fair reporting of Strasbaugh's financial condition.

Treatment of Complaints

Employee complaints will be treated by the Audit Committee as follows:

- Upon receipt of a complaint, the Chairman of the Audit Committee will (i) determine whether the complaint actually pertains to the Accounting Matters and (ii) when possible (i.e., when made other than anonymously), acknowledge receipt of the complain to the sender.
- Complaints relating to Accounting Matters will be reviewed under Audit Committee direction and oversight by such other persons as the Audit Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review.
- Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.
- The Company will not discharge, demote, suspend, threaten, or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002.

Reporting and Retention of Complaints and Investigations

Employee complaints will be maintained by the Audit Committee as follows:

- The Chairman of the Audit Committee 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. Copies of complaints and such log will be maintained in accordance with Strasbaugh's document retention policy.