



## **IPG Photonics – UK Tax Strategy**

IPG Photonics Corporation is publishing its U.K. tax strategy pursuant to the requirements of Paragraph 22(2) contained in Schedule 19 of the 2016 Finance Act.

### ***Risk Management and Governance***

The Company maintains internal policies and procedures to support all accounting and tax work; this work is reviewed as part of the Company's normal internal audit review of all operations. The Chief Financial Officer is ultimately responsible for IPG's overall tax compliance and risks and the Senior Accounting Officer and Senior Tax Director are responsible for the management of tax compliance and risks in the U.K. throughout the year.

### ***Attitude towards Tax Planning***

The Company's tax arrangements are based on its commercial business and activities. All such activities have economic substance and are implemented in compliance with the U.K. tax laws.

### ***Acceptable Level of Risk***

The Company's tax positions, including issues related to intercompany pricing, in all related entities are reviewed by the Company's corporate tax group and by independent economic and tax advisors to ensure compliance with tax laws in the U.K.

### ***Relationship with HMRC***

The Company is committed to maintaining a good relationship with Her Majesty's Revenue and Customs (HMRC) through an open, transparent and collaborative approach to dealings with tax authorities. The Company takes care to ensure that its tax affairs are reported accurately and on a timely basis and that responses to any queries from HMRC are prompt, complete and accurate.