



IPG Photonics Corporation

Procedures for Complaints Regarding Accounting, Internal Accounting Controls or Auditing Matters

In accordance with the Charter of the Audit Committee of IPG Photonics Corporation (including its subsidiaries, the “Company”), the Audit Committee has established the following procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters (collectively, “Accounting Matters”) and (b) the submission by employees of the Company of concerns regarding questionable Accounting Matters. The Audit Committee may amend these procedures at any time, consistent with the requirements of its Charter and applicable laws, rules and regulations.

The Company is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. Any employee of the Company may submit a good faith complaint regarding an Accounting Matter to the management of the Company without fear of dismissal or retaliation. The Company’s General Counsel and Audit Committee will oversee the receipt and review of employee complaints regarding accounting, internal accounting controls and auditing matters in accordance with applicable data privacy laws and reporting procedures regulations.

I. SCOPE OF MATTERS COVERED BY PROCEDURES

The procedures cover complaints relating to any Accounting Matters or any activity or practice that may include or result in any questionable Accounting Matters, including, but not limited to:

- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- fraud or deliberate error in the recording and maintaining of financial records of the Company;
- deficiencies in or non-compliance with the Company’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 the Company; or
- deviation from full and fair reporting of the Company’s financial condition.

II. PROCEDURES FOR THE ANONYMOUS SUBMISSION OF COMPLAINTS REGARDING QUESTIONABLE ACCOUNTING MATTERS

The methods by which employees may report observed accounting or auditing concerns to the Company include a procedure by which an employee may communicate (whether anonymously or otherwise) his or her accounting or auditing concerns confidentially to the Audit Committee or to the General Counsel as follows:

- Employees with a complaint regarding an Accounting Matter should contact their local management or employee representatives. If a complaint involves senior Company executives, or if employees believe that local contacts may not or have not adequately addressed their concerns, employees may report their complaint directly to any member of the Audit Committee or to the General Counsel of the Company in accordance with applicable laws, c/o IPG Photonics Corporation, 50 Old Webster Road, Oxford, MA 01540, USA.
- Alternatively, employees may submit, on a confidential or anonymous basis, any complaint regarding Accounting Matters to the Audit Committee and General Counsel through the following confidential voicemail number or e-mail address of each which shall be available 24 hours a day, 7 days a week as follows:

+508-373-1112

compliance@ipgphotonics.com

- The Company strongly recommends that employees give their names and other pertinent information when making a report. However, in exceptional circumstances, employees may also make a report anonymously. In this is the case, you should give a sufficiently detailed description of the factual basis for the allegations to allow an appropriate investigation.
- In addition, confidential communications may be submitted in accordance with other procedures set forth from time to time on the Company's intranet site or website and which will be notified to employees in accordance with applicable laws.
- The report should contain a full and complete description of the matter, the parties involved, the date of the occurrence or, if the matter is ongoing, the date the matter was initiated and any other information that the employee believes would assist the General Counsel and the Audit Committee in the investigation of such matter.

III. PROCEDURE FOR RECEIPT, RETENTION AND TREATMENT OF COMPLAINTS

Receipt of a Complaint

Upon receipt of a complaint, the General Counsel will (i) determine whether the complaint pertains to an Accounting Matter and (ii) when possible, acknowledge receipt of the complaint to the sender. The General Counsel will promptly report complaints relating to an Accounting Matter to the Audit Committee and recommend a strategy for investigation of the complaint.

The Audit Committee will investigate any complaint regarding an Accounting Matter on its own or with the assistance of the General Counsel, any officer of the Company, outside counsel or any other outside party, if any, as the Audit Committee determines to be appropriate, consistent with applicable law. Confidentiality will be maintained to the fullest extent possible, in accordance with applicable laws and consistent with the need to conduct an adequate review.

Policy Against Retaliation

The Audit Committee is committed to the policy that no employee will be subject to retaliation because of a good faith report of a concern or complaint regarding Accounting Matters or any suspected violation of Company policy or law. The Company does not permit retaliation against employees for good faith complaints submitted under these procedures. For example, the Company will not discharge, demote, suspend, threaten, harass 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 a questionable Accounting Matter.

These procedures are intended to encourage and enable employees and others to raise serious, good faith concerns. However, any unsubstantiated allegations which prove to have been made maliciously or knowingly to be false may result in disciplinary action, in accordance with applicable laws.

Treatment of the Complaint

Following the investigation of any complaint, the Audit Committee may direct management to take such further action as the Audit Committee deems appropriate, including but not limited to (i) changes in financial practices, procedures and reporting, (ii) disciplinary actions for wrongful acts up to and including termination of employment in accordance with applicable laws and (iii) if necessary, reports to the appropriate governmental authorities.

Where possible, the complaining party will be notified of the resolution of such party's Complaint and given such other information regarding the investigation or actions taken as may, in the discretion of the Audit Committee, be appropriate.

Retention of Complaints and Investigations

The General Counsel will maintain a record of all complaints regarding Accounting Matters in accordance with applicable laws and regulations on the processing and retention of data and will track their receipt, investigation and resolution. The General Counsel shall prepare a periodic summary report thereof for the Audit Committee upon request in accordance with applicable data protection laws and regulations.

Copies of complaints and such record will be maintained in accordance with the Company's document retention policy.

IV. PUBLICATION OF REPORTING PROCEDURES TO EMPLOYEES

The Company's procedures for complaints regarding Accounting Matters will be publicized (i) in a letter to employees, which will be disseminated to employees electronically and posted on the Company's intranet site or (ii) in such manner which is consistent with the Company's notification obligations under any applicable laws.

Adopted/Effective: April 1, 2009