

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant:

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

XPEL, INC.

(Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

XPEL, INC.
3251 IH-35
San Antonio, TX 78219
(210) 678-3700

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 18, 2022

To the Stockholders of XPEL, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of XPEL, Inc. (“XPEL” or the “Company”) will be held at the Marriott Rivercenter, 101 Bowie St., San Antonio, TX 78205, Conference Room 16, on May 18, 2022 at 10:00 a.m. Central Time, for the following purposes:

- (1) To elect as directors to the XPEL Board of Directors the five nominees named below:
 - Ryan L. Pape
 - Mark E. Adams
 - Stacy L. Bogart
 - Richard K. Crumly
 - Michael A. Klonne
- (2) To ratify the appointment of Deloitte and Touche LLP as XPEL’s independent registered public accounting firm for the year ended December 31, 2022;
- (3) To approve, on an advisory basis, the compensation of the Company’s named executive officers;
- (4) To recommend, by advisory vote, the frequency of future advisory votes on executive compensation; and
- (5) To consider such other business as may properly come before the Annual Meeting and any adjournment(s) thereof.

Your Board recommends that you vote FOR the nominees named in Proposal 1, FOR Proposals 2 and 3 and for one year for Proposal 4.

The Board of Directors has fixed the close of business on March 29, 2022 as the record date for the determination of the stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. Only stockholders of record at the close of business on March 29, 2022 will be entitled to vote at the Annual Meeting and any adjournments or postponements thereof. A list of stockholders entitled to vote at the Annual Meeting will be available for inspection at our offices, 3251 IH-35, San Antonio, TX 78219 for ten days prior to the Annual Meeting. If you would like to review the stockholder list, please call our Investor Relations department at (210) 678-3700 to schedule an appointment.

The Annual Meeting will be conducted in person at Marriott Rivercenter, 101 Bowie St., San Antonio, TX 78205, Conference Room 16. Please call us at (210) 678-3700 if you need assistance with directions to the Marriot Riverwalk.

Your vote is important. Regardless of whether you plan to attend the Annual Meeting, we encourage you to vote your shares promptly by using the Internet or your Tablet or Smart Phone, following the instructions provided in the Notice of Internet Availability of Proxy Materials, or by signing and returning the proxy card mailed to those who receive paper copies of the accompanying proxy statement.

By order of the Board of Directors,

Brooks A. Meltzer
SECRETARY

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held May 18, 2022:

This proxy statement, the form of proxy card and our 2022 Annual Report on Form 10-K are available at <https://www.cstproxy.com/xpel/2022>, which does not have “cookies” that identify visitors to the site.

TABLE OF CONTENTS

PROXY STATEMENT	1
Record Date; Shares Entitled To Vote; Quorum	1
Votes Required	1
Voting of Proxies	2
Revocability of Proxies	3
Deadline for Voting by Proxy	3
Solicitation of Proxies	3
Householding	3
PROPOSAL ONE	
ELECTION OF DIRECTORS	5
Board of Directors and Executive Officers	5
Corporate Governance	7
Board Oversight of Risk Management	9
Compensation Committee Interlocks and Insider Participation	10
Code of Ethics	10
Stockholder Communications with the Board	10
Nominations	10
Board Diversity	11
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	12
Equity Compensation Plan Information	13
Delinquent Section 16(a) Reports	13
Hedging Policy	13
EXECUTIVE COMPENSATION	14
Compensation Discussion & Analysis	14
COMPENSATION COMMITTEE REPORT	19
COMPENSATION OF NAMED EXECUTIVE OFFICERS OF THE COMPANY	19
Summary Compensation Table	20
Grants Of Plan-Based Awards	21
Outstanding Equity Awards At Fiscal Year End	22
Option Exercises and Stock Vested	22
Pension Benefits	22
Non-Qualified Deferred Compensation	22
Compensation of Directors	22
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	23
Review, Approval, or Ratification of Transactions with Related Persons	23
Transactions with Related Persons in 2021	23
PROPOSAL TWO	
RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	24
AUDIT COMMITTEE REPORT	25
FEES PAID TO AUDITORS	26

POLICY ON AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PERFORMED BY INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	26
PROPOSAL THREE	
ADVISORY VOTE ON EXECUTIVE COMPENSATION.....	26
PROPOSAL FOUR	
FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION	27
STOCKHOLDER PROPOSALS FOR 2023 XPEL ANNUAL MEETING	27
OTHER MATTERS	28

XPEL, INC.

3251 IH-35
San Antonio, TX 78219
(210) 678-3700
PROXY STATEMENT

The Board of Directors of XPEL, Inc. (“XPEL” or the “Company”) is soliciting proxies to vote shares of common stock at the 2022 Annual Meeting of Stockholders to be held at 10:00 a.m., local time, on May 18, 2022, at the Marriott Rivercenter, 101 Bowie St., San Antonio, TX 78205, Conference Room 16. In accordance with Securities and Exchange Commission (the “SEC”) rules, instead of mailing a printed copy of our Proxy Statement, annual report and other materials relating to the Annual Meeting to stockholders, we intend to mail a Notice of Internet Availability of Proxy Materials (“Notice of Internet Availability”), which advises that the proxy materials are available on the Internet to stockholders. We intend to commence distribution of the Notice of Internet Availability on or about April 8, 2022. Stockholders receiving a Notice of Internet Availability by mail will not receive a printed copy of proxy materials unless they so request. Instead, the Notice of Internet Availability will instruct stockholders as to how they may access and review proxy materials on the Internet. Stockholders who receive a Notice of Internet Availability by mail who prefer to receive a printed copy of our proxy materials, including a proxy card or voting instruction card, should follow the instructions for requesting these materials included in the Notice of Internet Availability. Please note that, although our proxy materials are available on our website, no other information contained on the website is incorporated by reference in or considered to be a part of this Proxy Statement.

This process is designed to expedite stockholders’ receipt of proxy materials, lower the cost of the Annual Meeting, and help conserve natural resources. If you previously elected to receive our proxy materials electronically, you will continue to receive these materials in that manner unless you elect otherwise. However, if you prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability.

For ten days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder for any purpose relevant to the Annual Meeting during regular business hours at XPEL’s corporate office, located at the address set forth above. If you would like to review the stockholder list, please call our Investor Relations department at (210) 678-3700 to schedule an appointment. Please call us at (210) 678-3700 if you need assistance with directions to the Marriot Riverwalk.

Record Date; Shares Entitled To Vote; Quorum

The Board of Directors has fixed the close of business on March 29, 2022 as the record date for XPEL stockholders entitled to notice of and to vote at the Annual Meeting. Only holders of common stock as of the record date are entitled to vote at the Annual Meeting. As of the record date, there were 27,612,597 shares of XPEL common stock outstanding, which were held by approximately 16 holders of record. Stockholders are entitled to one vote for each share of XPEL common stock held as of the record date.

The holders of a majority of the outstanding shares of XPEL common stock issued and entitled to vote at the Annual Meeting must be present in person or by proxy to establish a quorum for business to be conducted at the Annual Meeting. Abstentions and “broker non-votes” are treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum.

A “broker non-vote” occurs when you fail to provide your broker with voting instructions and the broker does not have the discretionary authority to vote your shares on a particular proposal because the proposal is not a routine matter under New York Stock Exchange rules. A broker non-vote may also occur if your broker fails to vote your shares for any reason. Brokers cannot vote on their customers’ behalf on “non-routine” proposals such as Proposal One, Proposal Three and Proposal Four. Because brokers require their customers’ direction to vote on such non-routine matters, it is critical that stockholders provide their brokers with voting instructions. Proposal Two, ratification of the appointment of our independent registered public accounting firm, will be a “routine” matter for which your broker does not need your voting instruction in order to vote your shares.

Votes Required

The votes required for each proposal are as follows:

Election of Directors. Each share of our common stock is entitled to one vote with respect to the election of directors. The nominees for director who receive the most votes will be elected. Therefore, if you do not vote for a particular nominee or you indicate “withhold authority to vote” for a particular nominee on your proxy card, your vote will have no effect on the election of directors. To be elected, each director must receive a plurality of the votes cast at the meeting. Withheld votes and broker non-votes are not considered votes cast “for” or “against” this proposal and will have no effect on the approval to elect directors.

If you sign and submit your proxy card or voting instruction form without specifying how you would like your shares voted, your shares will be voted FOR the Board's recommendations specified below under Proposal One—Election of Directors, and in accordance with the discretion of the proxy holders with respect to any other matters that may be voted upon at the Annual Meeting. Should the Company lawfully identify or nominate substitute or additional nominees before the Annual Meeting, we will file supplemental proxy material that identifies such nominee(s), discloses whether such nominee(s) has (have) consented to being named in the proxy material and to serve if elected and includes the relevant required disclosures with respect to such nominee(s).

The Board of Directors recommends a vote “FOR” each of its nominees.

Appointment of Independent Registered Public Accounting Firm. Each share of our common stock is entitled to one vote with respect to the ratification of the appointment of Deloitte and Touche LLP as our independent registered public accounting firm. The affirmative vote of holders of a majority of the shares of common stock present at the Annual Meeting in person or represented by proxy and entitled to vote on the matter will be considered to determine the outcome of this proposal. Abstentions from voting will have the same effect as a vote against this proposal. This proposal is a “routine” matter for which your broker does not need your voting instruction in order to vote your shares. The outcome of this proposal is advisory in nature and is non-binding.

The Board of Directors recommends a vote “FOR” the ratification of the appointment of Deloitte and Touche LLP, as XPPEL’s independent registered public accounting firm for the fiscal year ending December 31, 2022.

Advisory Vote on Executive Compensation. Each share of our Common Stock is entitled to one vote with respect to the approval, in a non-binding, advisory vote, of the compensation of our named executive officers. The affirmative vote of holders of a majority of the shares of Common Stock present at the Annual Meeting in person or represented by proxy and entitled to vote on the matter will be considered to determine the outcome of this proposal. Abstentions from voting will have the same effect as a vote against this proposal, and broker non-votes will have no effect on the outcome of this proposal. Brokers, as nominees for the beneficial owner, may not exercise discretion in voting on this matter and may only vote on this proposal as instructed by the beneficial owner of the shares. The outcome of this proposal is advisory in nature and is non-binding.

The Board of Directors recommends a vote “FOR” the approval of the compensation of our named executive officers.

Frequency of Future Advisory Votes on Executive Compensation. Each share of our Common Stock is entitled to one vote with respect to the approval, in a non-binding, advisory vote, the proposal to select the frequency of future advisory votes. The affirmative vote of holders of a majority of the shares of Common Stock present at the Annual Meeting in person or represented by proxy and entitled to vote on the matter will be considered to determine the outcome of this proposal. Abstentions from voting will have the same effect as a vote against this proposal, and broker non-votes will have no effect on the outcome of this proposal. Brokers, as nominees for the beneficial owner, may not exercise discretion in voting on this matter and may only vote on this proposal as instructed by the beneficial owner of the shares. The outcome of this proposal is advisory in nature and is non-binding.

While you have the opportunity to vote for every 1, 2 or 3 years, or abstain from voting on the frequency of future say-on-pay votes, the Board of Directors recommends that you vote for a frequency of every year.

Voting of Proxies

If you are a stockholder whose shares are registered in your name, you may vote your shares by one of the following four methods:

- **Vote in Person**, by attending the Annual Meeting.
- **Vote by Internet**, by going to the web address <https://www.cstproxy.com/xpel/2022> and following the instructions for Internet voting shown on the proxy card.
- **Vote by Using Your Tablet or Smart Phone**, by going to the web address <https://www.cstproxy.com/xpel/2022> and following the instructions for Mobile Voting shown on the proxy card.
- **Vote by Proxy Card**, by completing, signing, dating and mailing the proxy card mailed to you in the envelope provided. If you vote by Internet or Tablet or Smart Phone, please do not mail your proxy card. If you vote by mail, your signed proxy card must be received before the Annual Meeting to be counted at the Annual Meeting.

The deadline for voting electronically through the Internet or by Tablet or Smart Phone is 11:59 p.m., Eastern Time, on May 17, 2022.

If your shares are held in “street name” (through a broker, bank or other nominee), you may receive a separate voting instruction form with this proxy statement, or you may need to contact your broker, bank or other nominee to determine whether you will be able to vote electronically using the Internet or Tablet or Smart Phone.

PLEASE NOTE THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU WILL NOT BE PERMITTED TO VOTE IN PERSON AT THE MEETING UNLESS YOU FIRST OBTAIN A LEGAL PROXY ISSUED IN YOUR NAME FROM THE RECORD HOLDER.

The proxies identified on the proxy card will vote the shares of which you are stockholder of record in accordance with your instructions. If you sign and return your proxy card without giving specific voting instructions, the proxies will vote your shares “FOR” the nominated slate of directors, “FOR” Proposals Two and Three and for one (1) year for Proposal Four. The giving of a proxy will not affect your right to vote in person if you decide to attend the meeting.

Stockholder of Record. If your shares are registered directly in your name or with our transfer agent, Continental Stock Transfer and Trust Company, you are considered the stockholder of record with respect to those shares and these proxy materials are being sent directly to you by us. As a stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting.

Beneficial Holder. If your shares are held in a brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or other nominee who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker on how to vote and are also invited to attend the meeting. However, since you are not the stockholder of record, in order to vote these shares in person at the meeting you must obtain a legal proxy from your broker, bank or other nominee.

Revocability of Proxies

If you are a stockholder of record, whether you vote by Internet, by using your Tablet or Smart Phone, or by mail, you may change or revoke your proxy before it is voted at the Annual Meeting by:

- submitting a new proxy card bearing a later date;
- voting again by Tablet or Smart Phone or the Internet at a later time;
- giving written notice before the meeting to our Secretary at the address set forth on the cover of this proxy statement stating that you are revoking your proxy; or
- attending the meeting and voting your shares in person.

Attendance at the Annual Meeting will not, in and of itself, constitute revocation of a proxy. An XPEL stockholder whose shares are held in the name of a broker, bank or other nominee must bring a legal proxy from his, her or its broker, bank or other nominee to the meeting in order to vote in person.

Deadline for Voting by Proxy

In order to be counted, votes cast by proxy must be received prior to the Annual Meeting.

Solicitation of Proxies

Proxies will be solicited by mail and the Internet. Proxies may also be solicited personally, or by Tablet or Smart Phone, fax, or other means by the directors, officers, and employees of XPEL. Directors, officers, and employees soliciting proxies will receive no extra compensation but may be reimbursed for related out-of-pocket expenses. XPEL will make arrangements with brokerage houses and other custodians, nominees, and fiduciaries to send the proxy materials to beneficial owners. XPEL will, upon request, reimburse these brokerage houses, custodians, and other persons for their reasonable out-of-pocket expenses in doing so. XPEL will pay the cost of solicitation of proxies.

Householding

The SEC has adopted rules that permit companies and intermediaries (e.g. brokers) to satisfy the delivery requirements for proxy materials with respect to two or more stockholders sharing the same address by delivering a single set of proxy materials. This process, which is commonly referred to as “householding,” potentially results in extra convenience for stockholders, cost savings for companies and conservation of paper products. We have adopted this “householding” procedure.

If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate set of proxy materials, you may:

- send a written request to Investor Relations, XPEL, Inc., 3251 IH-35, San Antonio, TX 78219 or call (210) 678-3700, if you are a stockholder of record; or
- notify your broker, if you hold your shares in street name.

Upon receipt of your request, we will promptly deliver a separate set of proxy materials to you. You may also contact Investor Relations as described above if you are receiving multiple copies of our proxy materials and would like to receive only one copy in the future.

**PROPOSAL ONE
ELECTION OF DIRECTORS**

Directors are elected annually. Any nominee who is elected to serve as a director at our 2022 Annual Meeting of Stockholders will be elected to serve a term of one year and is expected to hold office until the 2023 Annual Meeting of Stockholders and until their successors are elected and qualified. Similarly, any director who is appointed to fill a vacancy on the Board will serve until the next annual meeting of stockholders after his or her appointment and until his or her successor is elected and qualified.

Assuming the presence of a quorum, the nominees for director who receive the most votes will be elected. The proxy card provides a means for stockholders to vote for or to withhold authority to vote for the nominees for director. If a stockholder executes and returns a proxy, but does not specify how the shares represented by such stockholder's proxy are to be voted, such shares will be voted FOR the election of the nominees for director. Non-votes are not considered votes cast "for" or "withhold" with respect to this proposal at the Annual Meeting and will have no effect on the election of directors.

The Board of Directors recommends a vote "FOR" the election of the nominees to the Board of Directors.

Board of Directors and Executive Officers

The following table sets forth the names, ages, and positions of the executive officers and directors of XPEL.

Name and Municipality of Residence	Age	Office
Ryan L. Pape San Antonio, Texas	41	Chairman of the Board, President and Chief Executive Officer and Director
Barry R. Wood San Antonio, Texas	59	Senior Vice President and Chief Financial Officer
Matthieu A. Moreau San Antonio, Texas	46	Senior Vice President of Sales and Products
Brooks A. Meltzer San Antonio, Texas	48	Vice President and General Counsel
Mark E. Adams Austin, Texas	60	Director
Stacy L. Bogart Edina, Minnesota	58	Director
Richard K. Crumly Austin, Texas	64	Director
Michael A. Klonne Miramar Lakes, Florida	69	Director

Executive Officers

Ryan L. Pape has served as our President and Chief Executive Officer since 2009, as a director since 2010 and Chairman of the Board of Directors since 2019. In these roles, he is responsible for providing strategic leadership by working with the Board and the management team to establish long-term goals, growth strategies, and policies and procedures for the Company. Mr. Pape's primary objective is to ensure the Company's affairs are carried out competently, ethically, in accordance with the law, and in the best interest of employees, customers and stockholders. From 2008 to 2009, Mr. Pape served as our Vice President of Operations, and has previously also served in other positions in operations and technology within the Company. Prior to his initial employment with the Company in 2004, Mr. Pape started his career in technology consulting. Mr. Pape graduated from the University of Texas in Austin with a Bachelor of Science Degree in Computer Science.

Mr. Pape was appointed President and Chief Executive Officer of the Company in 2009. Our Board has determined that Mr. Pape is qualified to serve as a director and President and Chief Executive Officer based on his extensive experience with strategy, technology and product distribution and his proven ability to bring people together and develop a strong team of leaders.

Barry R. Wood joined the Company in June 2016 as Senior Vice President and Chief Financial Officer. In this role, he oversees the Company's finance functions, including accounting, risk management, treasury management, investor relations, corporate development, and human resources. Mr. Wood brings to the Company significant financial and operational expertise, having spent his entire professional career in the public accounting and finance fields. During his four year tenure as Vice President of Dispensing Operations with OptumRx, Inc. (previously Catamaran Home Delivery), from 2011 to 2016, Mr. Wood was responsible for back-end dispensing operations for four dispensing pharmacies. From 2008 to 2011, Mr. Wood served as the Chief Financial Officer of PTRX, Inc., a pharmacy benefits and prescription home delivery company, where he was responsible for all aspects of finance, treasury, audit, risk management, investor relations and human resources. Prior to this, Mr. Wood served in various executive finance roles with AT&T. Prior to that, Mr. Wood was as an audit manager for Ernst & Young. Mr. Wood graduated from Southern Illinois University - Edwardsville with a Bachelor of Science Degree in Accountancy, and obtained his Master of Business Administration with a Finance Concentration (MBA) at the University of Texas - Dallas. He earned his Certified Public Accountant designation in 1986 and his Chartered Global Management Accountant designation in 2010, and is currently licensed in Texas.

Mathieu A. Moreau currently leads sales operations for XPEL, globally, and is based in San Antonio, Texas. Mr. Moreau joined XPEL in 2015 when his businesses, Parasol Canada and Protex, were acquired by XPEL. He has been involved in the automotive aftermarket since 1991, starting as an installer of window film and paint protection film. In 2006, he founded an automotive franchise, Protex, and subsequently a distribution company Parasol Canada. Protex grew to over 75 franchises across Canada and Parasol Canada was XPEL's largest international distribution partner at the time it was acquired.

Brooks A. Meltzer has served as our General Counsel and Secretary since March 2020. Prior to joining us, Mr. Meltzer served as General Counsel for Haven for Hope of Bexar County, a non-profit serving the needs of those experiencing homelessness in Bexar County from February 2019 to March 2020. From 2007 to February 2019, Mr. Meltzer served as Associate General Counsel of Marathon Petroleum Corporation (successor by merger with Andeavor, Inc.), a Fortune 100 refining and marketing company. From 2003 until 2007, Mr. Meltzer served as Corporate Counsel with Brinker International, a global restaurant company. Mr. Meltzer previously practiced real estate and finance law with Locke Lord LLP. Mr. Meltzer holds a B.A. from the University of Texas at Austin and a J.D. from Southern Methodist University Dedman School of Law.

Directors

Ryan L. Pape, see above.

Mark E. Adams is a serial entrepreneur who has founded, led, built, and sold several companies in a variety of different industries including Health Care, Finance, Manufacturing, Electric Vehicles, Restaurants, Insurance, Software, Real Estate, Medical Products, Nutritional Products, Digital Communications, Farming, and others. Mr. Adams spent the first 17 years of his career working for large companies such as Xerox, Johnson & Johnson and Bostik, Inc., a global adhesive specialist in construction, consumer and industrial markets, and has spent the last 16 years creating, building, running and selling several successful companies in a variety of different industries.

In 2000, Mr. Adams left Bostik to pursue an entrepreneurial path and bought a minority interest in a small Industrial distribution business. There he grew sales and net income by almost 300% in three years. Upon selling his interest in that company in 2003, Mr. Adams then founded Advocate, MD Financial Group, Inc., which created and operated what became one of the largest medical liability insurance underwriting companies in Texas and Mississippi. Mr. Adams sold that company in 2009 and continued running the company as President and CEO until 2011. In 2007, Mr. Adams co-founded Murphy Adams Restaurant Group, Inc. which today owns over 40 restaurants including Mama Fu's Asian House restaurants in the US and internationally, and Austin's Pizza restaurants in Central Texas. In 2008, Mr. Adams co-founded Kind Health, Inc., an "insurtech" company. Mr. Adams is the co-founder of Ayro Automotive, Inc. (NASDAQ), Future Medical Products, LLC, Evergreen Farms, LLC, Sun House Ventures, LLC, and is a partner in the four Assembly Capital Funds focused on crypto currency investments. Mr. Adams is also a co-founder and large owner of at least 12 other companies in a variety of industries. Mr. Adams currently serves as the CEO of Direct Biologics, LLC, a medical technology company.

Mr. Adams is a past winner of the prestigious Ernst & Young Entrepreneur of the Year Award for Central Texas and was named an Outstanding Texas Entrepreneur by the Governor of Texas and the Texas House of Representatives. Mr. Adams serves on the board of directors of numerous companies including public, private and non-profit boards. Mr. Adams served on the Board of Directors of Astrotech, Inc. (Nasdaq: ASTC), a science and technology development and commercialization company that launches, manages, and build scalable companies based on innovative technology, from 2007 until 2020, and served on the Board of Directors of Ayro, Inc. (Nasdaq: AYRO), a designer and manufacturer of compact, sustainable electric vehicles for closed campus mobility, urban and community transport, local on demand and last mile deliver, and government use, from May 2020 until December 2020. Mr. Adams is a long serving member of the McCoy College of Business Advisory Board at Texas State University and was named a 2018 Distinguished Alumnus of Texas State University.

Mr. Adams is a large individual XPEL stockholder and has served on the XPEL Board of Directors since 2010. Mr. Adams also serves as Lead Independent Director. Mr. Adams brings to our Board a wide range of experience in business with a particular focus on entrepreneurship.

Stacy L. Bogart has been a director since March 23, 2022. Ms. Bogart is the Senior Vice President, General Counsel, Secretary and Corporate Responsibility of Winnebago Industries, Inc. and President, Winnebago Industries Foundation. Ms. Bogart joined Winnebago Industries in January 2018 as Vice President, General Counsel and Secretary and was appointed Senior Vice President, General Counsel, Secretary and Corporate Responsibility and President, Winnebago Industries Foundation in October 2020. Prior to joining Winnebago Industries, Ms. Bogart was Senior Vice President, General Counsel and Compliance Officer, Corporate Secretary at Polaris Industries Inc., a manufacturer and marketer of powersports products, where she joined in November 2009. Previously, Ms. Bogart was General Counsel of Liberty Diversified International; Assistant General Counsel and Assistant Secretary at The Toro Company; and a Senior Attorney for Honeywell International, Inc.

Ms. Bogart is an accomplished business executive with broad experience in both private and public companies. Her career is marked with roles of progressing scope, complexity, and responsibility. She serves as a strategic business partner and advisor with demonstrated ability to attract, develop, and motivate talent to achieve business excellence. She is known for partnering with senior management to achieve long-term strategic transformational goals, working with public company Board of Directors, corporate governance, corporate social responsibility, risk management, strategy, and mergers and acquisitions. We believe that Ms. Bogart's experience and qualifications provide valuable skills to our Board.

Richard K. Crumly has been investing in start-up companies and other entrepreneurial ventures for more than 30 years. He has been involved in ventures ranging from consumer products to telecommunications – from start-up to the transition to the public marketplace. Mr. Crumly also has years of experience investing in various real estate ventures, from raw land to developed properties. He graduated from Trinity University in San Antonio with a Bachelor of Science. Mr. Crumly has served on the Board since 2010.

We believe that Mr. Crumly's qualifications to serve on our Board include his entrepreneurial experience and broad investment background.

Michael A. Klonne built a successful career from entry level sales to President and CEO. From 1993 to 1996, Mr. Klonne played a major part in the growth of Findley Adhesives from a \$20 million, regional company to a \$300 million global company leading to the ultimate sale of the company to Bostik, S.A. From 1996 to 2010, Mr. Klonne served as Chief Executive Officer of Bostik, Inc., a global adhesive specialist in construction, consumer and industrial markets, helping grow Bostik, Inc.'s revenue to \$1 billion with over 1,000 employees at 20 sites across North America, Latin America, Europe and Asia. He received his Bachelor of Science in Business Education at the University of Cincinnati, and his Master of Business Administration from Duke University.

Since 2013, Mr. Klonne has been serving as an industry leading consultant in the adhesives and polymers industries. His clients have included private equity firms, top global consumer companies and other industry leaders. Mr. Klonne is also active in the support of non-profit education startup companies and schools. Mr. Klonne also serves as board chairman for the Right Step, Inc., a 501(c)(3) Choice School in Milwaukee, WI. Mr. Klonne has served on the Board since 2017.

We believe that Mr. Klonne's qualifications to serve on our Board include his broad and deep senior level experience in the products and sales industry as well as his general business acumen.

Corporate Governance

Composition of the Board of Directors

The Company believes that its Board, as a whole, should encompass a diverse range of talent, skill, experience and expertise enabling it to provide sound guidance with respect to the Company's operations and business goals. In addition to considering a candidate's background and accomplishments, candidates are reviewed in the context of the current composition of the Board and the evolving needs of the Company. The Company's policy is to have at least a majority of its directors qualify as "independent" as determined in accordance with the listing standards of The Nasdaq Stock Market and Rule 10A-3 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The Nominating and Corporate Governance Committee identifies candidates for election to the Board of Directors and reviews their skills, characteristics and experience, and recommends nominees for director to the Board for approval.

The Nominating and Corporate Governance Committee believes that the Board of Directors should be composed of directors with experience in areas relevant to the strategy and operations of the Company, particularly in the automotive after market and consumer discretionary products industries and complex business and financial dealings. We believe that each nominee and current director has gained experience in core management skills, such as strategic and financial planning, public company financial reporting, corporate governance, risk management, and leadership development. Many of our directors also have experience serving on boards and board committees of other public companies, as well as charitable organizations and private companies. The Nominating and Corporate Governance Committee also believes that each nominee and current director has other key attributes that are important to an effective board: integrity and demonstrated high ethical standards; sound judgment; analytical skills; the ability to engage management and each other in a constructive and collaborative fashion; diversity of background, experience and thought; and the commitment to devote significant time and energy to service on the Board and its Committees. With respect to each of our current directors and director nominees, their biographies on pages 5, 6 and 7 detail their individual experiences, together with their past and current board positions.

Meeting Attendance

During the fiscal year ended December 31, 2021, the Board of Directors held six meetings, the Audit Committee held five meetings, the Compensation Committee held four meetings and the Nominating and Corporate Governance Committee held three meetings. In addition, the Board of Directors acted by unanimous written consent three times during the year. During 2021, each director attended at least 75% of all Board and applicable Committee meetings and, other than Mr. Pape, our Chairman of the Board, President and Chief Executive Officer, each director received compensation for his service to XPEL for his role as director. See “Executive Compensation—Director Compensation.”

Board Attendance at Annual Meetings

XPEL encourages, but does not require, directors to attend the Annual Meeting of stockholders; however, XPEL believes that such attendance allows for direct interaction between stockholders and members of the Board of Directors. All directors attended XPEL’s Annual Shareholder Meeting conducted on May 27, 2021.

Committees of the Board of Directors

XPEL has standing Audit, Compensation and Nominating and Corporate Governance Committees.

The Audit Committee is a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. During 2021, the Audit Committee consisted of John A. Constantine and Messrs. Crumly and Klonne until Mr. Constantine’s resignation in July 2021 and Messrs Adams, Crumly and Klonne thereafter. The Board of Directors has determined that Mr. Klonne is an audit committee financial expert as defined by SEC rules. The Audit Committee aids management in the establishment and supervision of our financial controls, evaluates the scope of the annual audit, reviews audit results, makes recommendations to our Board regarding the selection of our independent registered public accounting firm, consults with management and our independent registered public accounting firm prior to the production of financial statements to stockholders and, as appropriate, initiates inquiries into aspects of our financial affairs. The Audit Committee has authority under its charter to retain, approve fees for and terminate advisors, consultants, and agents as it deems necessary to assist in the fulfillment of its responsibilities. The Audit Committee Report, which appears on page 25, more fully describes the activities and responsibilities of the Audit Committee. During 2021, Mr. Pape, Mr. Wood and representatives from Deloitte and Touche LLP, the Company’s independent registered public accounting firm, along with all three members of the Company’s Audit Committee attended each meeting of the Audit Committee. In addition, the representatives from Deloitte and Touche LLP and the Audit Committee met in executive session at each meeting.

During 2021, the Compensation Committee consisted of Messrs. Adams, Constantine and Crumly until Mr. Constantine’s resignation in July 2021 and Messrs. Adams, Crumly and Klonne thereafter. The Compensation Committee’s role is to establish and oversee XPEL’s compensation and benefit plans and policies, to administer its stock option plans, and to annually review and approve all compensation decisions relating to XPEL’s executive officers. The Compensation Committee submits its decisions regarding executive compensation to the independent members of the Board for approval. The agenda for meetings of the Compensation Committee is determined by its Chairman. Mr. Adams reports the committee’s recommendations on executive compensation to the Board. The Company’s personnel support the Compensation Committee in its duties and, along with Mr. Adams, may be delegated authority to fulfill certain administrative duties regarding the Company’s compensation programs. The Compensation Committee has authority under its charter to retain, approve fees for and terminate advisors, consultants and agents as it deems necessary to assist in the fulfillment of its responsibilities. During 2021, the Compensation Committee engaged Frederick W. Cook & Co. Inc (“FW Cook”), or the Compensation Consultant, as its independent compensation consultant to assist the Compensation Committee with its work as it relates to compensation of XPEL’s executive officers and its board of directors. The Compensation Consultant did not provide additional services to XPEL.

During 2021, the Nominating and Corporate Governance Committee consisted of Messrs, Adams, Constantine and Klonne until Mr. Constantine’s resignation in July 2021 and Messrs. Adams, Crumly and Klonne thereafter. The primary function of the Nominating and Corporate Governance Committee is to develop and maintain the corporate governance policies of XPEL and to assist the Board in identifying, screening and recruiting qualified individuals to become Board members and determining the composition of the Board and its committees, including recommending nominees for the election at the annual meeting of stockholders or to fill vacancies on the Board.

Each of the Board's committees has a written charter and copies of the charters are available for review on the Company's website at www.xpel.com.

Director Independence

The Board of Directors has determined that each of the following members of the Board of Directors is independent as determined in accordance with the listing standards of The Nasdaq Stock Market and Rule 10A-3 of the Exchange Act: Mark E. Adams, Stacy L. Bogart, Richard K. Crumly and Michael A. Klonne. All of the members of the Audit, Compensation and Nominating and Corporate Governance Committees are independent as determined in accordance with the listing standards of The Nasdaq Stock Market and Rule 10A-3 of the Exchange Act. The Board of Directors periodically conducts a self-evaluation on key Board and committee-related issues, which has proven to be a beneficial tool in the process of continuous improvement in the Board's functioning and communication.

Board Leadership Structure

The Board of Directors believes that the Chief Executive Officer is best situated to serve as Chairman because he is the director most familiar with XPEL's business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. The Board believes this provides XPEL with an efficient and effective leadership model. The Board believes that combining the Chairman and Chief Executive Officer roles fosters clear accountability, effective decision-making and alignment on corporate strategy. To assure effective independent oversight, the Board has adopted a number of governance practices, including:

- a strong, independent director role;
- regular executive sessions of the independent directors; and
- annual performance evaluations of the Chairman and Chief Executive Officer by the independent directors.

Mr. Adams serves as the Lead Independent Director of the Company to provide the Board with additional independent oversight. Mr. Adams leads the regularly held executive sessions.

Non-Management Sessions

The Board generally schedules regular executive sessions involving exclusively non-management directors generally at the time of each in-person board meeting. Our Lead Independent Director, Mr. Adams, presides at all such executive sessions.

Board Oversight of Risk Management

The Board of Directors has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board reviews quarterly information regarding the Company's liquidity and operations, as well as the risks associated with each. The Company's Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and arrangements to ensure that the compensation programs do not encourage excessive risk-taking. The Audit Committee oversees management of financial risks, as well as other identified risks, including information technology. The Nominating and Corporate Governance Committee manages the risks associated with the independence of the Board of Directors and potential conflicts of interest. While each committee is responsible for evaluating specific risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

The Board of Directors, together with the Compensation Committee, the Audit Committee, and the Nominating and Corporate Governance Committee, coordinate with each other to provide company-wide oversight of our management and handling of risk. These committees report regularly to the entire Board of Directors on risk-related matters and provide the Board of Directors with integrated insight about the Company's management of strategic, financial reporting, liquidity, compliance and operational risks. While the Company has not developed a company-wide risk statement, the Board of Directors believes a well-balanced operational risk profile together with a relatively conservative approach to managing liquidity and debt levels contribute to an effective oversight of the Company's risks.

At meetings of the Board of Directors and its committees, directors receive regular updates from management regarding risk management. Outside of formal meetings, the Board, its committees and individual Board members have regular access to the executive officers of XPEL.

Compensation Committee Interlocks and Insider Participation

Messrs. Adams, Constantine and Crumly served on the Compensation Committee during 2021 until Mr. Constantine's resignation in July 2021 and Messrs. Adams, Crumly, and Klonne thereafter. No member of the Compensation Committee was at any time during 2021 or at any other time, an officer or employee of XPEL, and no member had any relationship with XPEL requiring disclosure as a related-party transaction in the section "Certain Relationships and Related Party Transactions" of this proxy statement. No executive officer of XPEL has served on the Board of Directors or Compensation Committee of any other entity that has or has had one or more executive officers who served as a member of the Board of Directors or the Compensation Committee during 2021.

Code of Ethics

The Board of Directors has unanimously approved XPEL's Code of Ethics. This Code is a statement of XPEL's high standards for ethical behavior, legal compliance and financial disclosure, and is applicable to all directors, officers, and employees. A copy of the Code of Ethics can be found in its entirety on XPEL's website at www.xpel.com. Additionally, should there be any changes to, or waivers from, XPEL's Code of Ethics, those changes or waivers will be posted immediately on our website at the address noted above.

Stockholder Communications with the Board

The Board of Directors has implemented a process by which stockholders may communicate with the Board of Directors. Any stockholder desiring to communicate with the Board of Directors may do so in writing by sending a letter addressed to the Board of Directors, c/o Corporate Secretary. The Corporate Secretary has been instructed by the Board to promptly forward any communications received to the members of the Board.

Nominations

The Nominating and Corporate Governance Committee is responsible for determining the slate of director nominees for election by stockholders, which the committee recommends for consideration by the Board. All director nominees are approved by the Board prior to annual proxy material preparation and are required to stand for election by stockholders at the next annual meeting. For positions on the Board created by a director's leaving the Board prior to the expiration of his current term, whether due to death, resignation, or other inability to serve, Article III of the Company's Amended and Restated Bylaws provides that a director elected by the Board to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

The Nominating and Corporate Governance Committee does not currently utilize the services of any third-party search firm to assist in the identification or evaluation of Board member candidates. The Nominating and Corporate Governance Committee may engage a third party to provide such services in the future, as it deems necessary or appropriate at the time in question.

The Nominating and Corporate Governance Committee determines the required selection criteria and qualifications of director nominees based upon the needs of the Company at the time nominees are considered. A candidate must possess the ability to apply good business judgment and be in a position to properly exercise his or her duties of loyalty and care. Candidates should also exhibit proven leadership capabilities, high integrity and experience with a high level of responsibility within his or her chosen fields, and have the ability to quickly understand complex principles of, but not limited to, business and finance. Candidates with potential conflicts of interest or who do not meet independence criteria will be identified and disqualified. The Nominating and Corporate Governance Committee will consider these criteria for nominees identified by the Committee, by stockholders, or through some other source. When current Board members are considered for nomination for re-election, the Nominating and Corporate Governance Committee also takes into consideration their prior Board contributions, performance and meeting attendance records.

The Committee strives to nominate directors with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills, experience and expertise to oversee the Company's business. As part of this process, the Committee evaluates how a particular candidate would strengthen and increase the diversity of the Board in terms of how that candidate may contribute to the Board's overall balance of perspectives, backgrounds, knowledge, experience, skill sets and expertise in substantive matters pertaining to the Company's business.

The Nominating and Corporate Governance Committee will consider qualified candidates for possible nomination that are recommended by stockholders. Stockholders wishing to make such a recommendation may do so by sending the required information to the Nominating and Corporate Governance Committee, c/o Corporate Secretary at the address listed above. Any such nomination must comply with the advance notice provisions of, and provide all of the information required by, XPEL's Amended and Restated Bylaws. These provisions and required information are summarized under "Stockholder Proposals for 2023 XPEL Annual Meeting" beginning on page 27 of this proxy statement.

The Nominating and Corporate Governance Committee conducts a process of making a preliminary assessment of each proposed nominee based upon the resume and biographical information, an indication of the individual’s willingness to serve and other background information. This information is evaluated against the criteria set forth above as well as the specific needs of the Company at that time. Based upon a preliminary assessment of the candidate(s), those who appear best suited to meet the needs of the Company may be invited to participate in a series of interviews, which are used for further evaluation. The Nominating and Corporate Governance Committee uses the same process for evaluating all nominees, regardless of the original source of the information. The Company does not have a formal policy with regard to the consideration of diversity in identifying director nominees, but the Nominating Committee will strive to nominate directors with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills, and expertise to oversee the Company’s businesses.

No candidates for director nominations were submitted to the Board of Directors by any stockholder in connection with the Annual Meeting.

Board Diversity

On August 6, 2021, the SEC approved amendments to the Listing Rules of NASDAQ related to board diversity. New Listing Rule 5605(f) (the “Diverse Board Representation Rule”) requires each NASDAQ-listed company which has five or fewer directors such as XPEL, subject to certain exceptions, (1) to have at least one director who self-identifies as female, Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, two or more races or ethnicities, or as LGBTQ+, or (2) to explain why the company does not have at least one director on its board who self-identifies in the categories listed above. In addition, new Listing Rule 5606 (the “Board Diversity Disclosure Rule”) requires each NASDAQ-listed company, subject to certain exceptions, to provide statistical information about the company’s board of directors, in a uniform format, related to each director’s self-identified gender, race, and self-identification as LGBTQ+. In the matrix below, we have provided the statistical information required by the Board Diversity Disclosure Rule.

Board Diversity Matrix (As of March 29, 2022)			
Total Number of Directors	5		
	Female	Male	Nonbinary
Part I: Gender Identity			
Directors	1	4	
Part II: Demographic Background			
African American or Black			
Alaskan Native or Native American			
Asian			
Hispanic or Latinx			
White	1	3	
Two or More Races or Ethnicities			
LGBTQ+			
Did Not Disclose Demographic Background	1		

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Based upon information received from the persons concerned, each person known to XPEL to be the beneficial owner of more than five percent of the outstanding shares of common stock of XPEL, each director and nominee for director, each of the executive officers and all directors and officers of XPEL as a group, owned beneficially as of March 29, 2022, the number and percentage of outstanding shares of common stock of XPEL indicated in the following table. Except as otherwise noted below, the address for each of the beneficial owners is c/o XPEL, Inc., 3251 IH-35, San Antonio, Texas 78219. None of the shares listed below have been pledged as security.

Name of Beneficial Owner	Number of Shares	Percentage (%)
<i>Certain Beneficial Owners:</i>		
Wasatch Advisors, Inc. (1)	2,791,254	10.1%
Jason Hirschman (2)	1,450,100	5.3%
Neuberger Berman Group, LLC (3)	1,444,437	5.23%
<i>Directors and Executive Officers:</i>		
Mark E. Adams (4)	2,707,396	9.8%
Stacy L. Bogart	—	—
Richard K. Crumly (5)	2,207,199	8.1%
Michael A. Klonne	65,390	*
Ryan L. Pape	1,169,202	4.2%
Barry R. Wood	25,000	*
Brooks A. Meltzer	1,350	*
Matthieu A. Moreau	40,000	*
Directors and Executive Officers as a group (8 persons)	6,253,537	22.6%

* Less than one percent (1%)

- (1) Based on the information set forth in the Schedule 13G/A filed by Wasatch Advisors, Inc. on February 28, 2022, Wasatch Advisors, Inc. has sole voting and dispositive power with respect to all of the shares set forth above. Wasatch Advisors, Inc.'s address is 505 Wakara Way, Salt Lake, City, Utah 84108.
- (2) Mr. Hirschman's address is P.O. Box 50562, Henderson, Nevada 89016-0562.
- (3) Based on the information set forth in the Schedule 13G filed by Neuberger Berman Group, LLC and Neuberger Berman Investment Advisers, LLC on February 11, 2022 (the "13G"), Neuberger Berman Group LLC and Neuberger Berman Investment Advisers LLC share the power to vote or direct the vote of 1,430,648 shares and share the power to dispose or direct the disposition of 1,444,437 shares.

Neuberger Berman Group LLC may be deemed to be the beneficial owner of the shares set forth above for purposes of Rule 13d-3 because certain affiliated persons have shared power to retain, dispose of and vote the securities. In addition to the holdings of individual advisory clients, Neuberger Berman Investment Advisers LLC serves as investment manager of Neuberger Berman Group LLC's various registered mutual funds which hold such shares. The holdings belonging to clients of Neuberger Berman Trust Co N.A., Neuberger Berman Trust Co of Delaware N.A., Neuberger Berman Asia Ltd., Neuberger Berman Canada ULC and Neuberger Berman Investment Advisers LLC are also aggregated to comprise the holdings referenced herein.

In addition to the shares set forth above for which Neuberger entities also have shared power to dispose of the shares, the number of shares set forth above also includes shares from individual client accounts over which Neuberger Berman Investment Advisers LLC has shared power to dispose but does not have voting power over these shares. The holdings of Neuberger Berman Trust Co N.A., Neuberger Berman Trust Co of Delaware N.A., Neuberger Berman Asia Ltd., Neuberger Berman Canada ULC and Neuberger Berman Investment Advisers LLC, are also aggregated to comprise the holdings referenced herein.

Neuberger Berman Trust Co N.A., Neuberger Berman Trust Co of Delaware N.A., Neuberger Berman Asia Ltd., Neuberger Berman Canada ULC, and Neuberger Berman Investment Advisers LLC and certain affiliated persons may be deemed to beneficially own the shares set forth above in their various fiduciary capacities by virtue of the provisions of Exchange Act Rule 13d-3. Neuberger Berman Group LLC, through its subsidiaries Neuberger Berman Investment Advisers Holdings LLC and Neuberger Trust Holdings LLC controls Neuberger Berman Trust Co N.A., Neuberger Berman Asia Ltd., Neuberger Berman Canada ULC, Neuberger Berman Trust Co of Delaware N.A. and Neuberger Berman Investment Advisers LLC and certain affiliated persons.

In the 13G, Neuberger Berman Group, LLC and Neuberger Berman Investment Advisers, LLC stated that the contents of the 13G was not an admission that any of these entities are the beneficial owner of the Shares set forth above and each of Neuberger Berman Group LLC, Neuberger Berman Investment Advisers Holdings LLC, Neuberger Trust Holdings LLC, Neuberger Berman Trust Co N.A., Neuberger Berman Asia Ltd., Neuberger Berman Canada ULC, Neuberger Berman Trust Co of Delaware N.A. and Neuberger Berman Investment Advisers LLC and certain affiliated persons disclaimed beneficial ownership of the shares set forth above pursuant to Exchange Act Rule 13d-4.

In the 13G, Neuberger Berman Group, LLC and Neuberger Berman Investment Advisers, LLC further stated that the information in in the 13G reported shares of XPEL that may be deemed to be beneficially owned by Neuberger Berman Group LLC, Neuberger Berman Investment Advisers Holdings LLC, Neuberger Trust Holdings LLC, Neuberger Berman Trust Co N.A., Neuberger Berman Asia Ltd., Neuberger Berman Canada ULC, Neuberger Berman Trust Co of Delaware N.A. and Neuberger Berman Investment Advisers LLC (“NBG Filers”). In the 13G, Neuberger Berman Group, LLC and Neuberger Berman Investment Advisers, LLC further stated that the shares of XPEL, if any, that may be deemed to be beneficially owned by NB Alternatives Advisers LLC and other subsidiaries of Neuberger Berman Group LLC that are separated from the NBG Filers by an information barrier in accordance with SEC Release No. 34-39538 (January 12, 1998) are not reflected in the 13G.

The address of Neuberger Berman Group, LLC and Neuberger Berman Investment Advisers, LLC is 1290 Avenue of the Americas, New York, NY 10104.

- (4) Includes 8,010 shares owned by Mr. Adams’ son as to which Mr. Adams has a power of attorney granting him voting and disposition power and 26,500 shares owned by Mr. Adams’ spouse as to which Mr. Adams has voting and dispositive power. On March 17, 2022, Mr. Adams pledged all of the shares beneficially owned by him to secure a personal loan.
- (5) Mr. Crumly has advised the Company that ADAMAS, LLC, of which Mr. Crumly is a control person, is the record owner of 1,220,793 shares of common stock of the Company and that CARPE, LLC, of which Mr. Crumly is a control person, is the record owner of 970,906 shares of common stock of the Company. Mr. Crumly disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein. Mr. Crumly’s spouse is the record owner of 15,500 shares of common stock of the Company. Mr. Crumly does not have any voting or dispositive power over such shares and disclaims beneficial ownership of all such shares.

Equity Compensation Plan Information

For a description of our current equity incentive plan, see “Executive Compensation — Compensation Discussion and Analysis – 2021 Executive Compensation Elements – 2021 Long-Term Incentive Compensation.”

(Shares in million) Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Approved by Stockholders
Equity compensation plans approved by stockholders	17,520	\$84.19	257,480
Equity compensation plans not approved by stockholders	—	—	
Total	17,520	\$84.19	257,480

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires XPEL’s directors and executive officers and persons who own more than 10% of a registered class of XPEL equity securities to file with the Securities and Exchange Commission and The Nasdaq Stock Market initial reports of ownership and reports of changes in ownership of XPEL common stock. Officers, directors and greater than 10% stockholders are required by SEC regulation to furnish us with copies of all such forms they file. Based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, XPEL believes all reports were filed on a timely basis.

Hedging Policy

The Board has adopted a policy prohibiting hedging transactions and disallowing pledging transactions subject to narrow exceptions as further described below. Pursuant to this policy, hedging of any type by officers, directors and employees is prohibited, including entry into any prepaid variable forward contracts, equity swaps, collars, exchange funds or other transactions involving Company securities that could be used to hedge or offset any decrease in the value of the Company’s stock. Officers, directors and employees are also prohibited from maintaining Company securities in a margin account. Any officer, director or employee who wishes to pledge shares as collateral for a loan must demonstrate that he or she has the financial capability to repay the loan without resorting to the pledged securities and obtain the prior written approval of the General Counsel. This policy is included in the Company’s Insider Trading Policy.

In March 2022, Mr. Adams, one of the Directors of the Company, requested approval for a one-time waiver of the policy to pledge shares against a loan that represented less than 15% of the value of Mr. Adams’ shares. Mr. Adams represented to the Company that he had sufficient assets other than XPEL stock to pay off the loan. In addition, Mr. Adams agreed to, among other things, limit the loan value to a fixed amount and to pay off the entire balance of the loan by December 31, 2022. In connection with the loan, Company requested that Mr. Adams pledge all of his shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) discusses our compensation policies and determinations that apply to our named executive officers. When we refer to our named executive officers, we are referring to the following individuals whose 2021 compensation is set forth below in the Summary Compensation Table and subsequent compensation tables.

Name	Position
Ryan L. Pape	Chairman of the Board, President, and Chief Executive Officer
Barry Wood	Senior Vice President and Chief Financial Officer
Mathieu Moreau	Senior Vice President, Sales and Product
Brooks Meltzer	Vice President, General Counsel and Secretary

We evaluate, on an annual basis, the roles and responsibilities of our various officers and key employees. In connection with that review, we consider the definition of “executive officer” in Rule 3b-7 under the Securities Exchange Act of 1934, as amended, or the Exchange Act in determining that only the individuals named above met the definition of “executive officer” under Rule 3b-7 at any time during 2021. Other than its four named executive officers, the Company does not have any officers or employees who performed policy-making functions or were “in charge of a principal business unit, division or function” for the Company during 2021 within the meaning of Rule 3b-7. Consequently, we concluded only the individuals named above should be identified as “named executive officers” in our executive compensation disclosures for the year ended December 31, 2021. In the event we determine that any additional persons meet the standards of an “executive officer,” under Rule 3b-7 of the Exchange Act, we will provide appropriate disclosures, including the disclosure required under Items 401(e) and 402 of Regulation S-K, in all relevant future filings with the SEC.

2021 Company Performance and Business Highlights

For the fiscal year ended December 31, 2021, we made strong progress toward our long-term goals of continued revenue and earnings growth through a combination of organic growth, new product development and success of recent acquisitions. We are keenly focused on achieving our corporate goals that align with our broader purpose to return long-term value to our customers and stockholders. Performance highlights for the year include:

- Total shareholder return (TSR) of 32.4% during the fiscal year ⁽¹⁾;
- Revenue increased 63.1% to \$259.3 million as compared to \$158.9 million in the prior year. Organic revenue growth was 52.9%;
- Net income increased by 72.7% to \$31.6 million, or \$1.14 per basic and diluted share, compared to \$18.3 million, or \$0.66 per basic and diluted share, in 2020; and
- Earnings before interest, taxes and depreciation (“EBITDA”)⁽²⁾ grew 74.5% to \$44.1 million, or 17.0% of revenue, as compared to \$25.3 million, or 15.9% in the prior year.

- (1) Total Shareholder Return is calculated by dividing the change in the share price from January 1, 2021 to December 31, 2021 by the share price as of December 31, 2020.
- (2) EBITDA is a non-GAAP financial measure. We believe EBITDA provides helpful information with respect to our operating performance as viewed by management, including a view of our business that is not dependent on (i) the impact of our capitalization structure and (ii) items that are not part of our day-to-day operations. Management uses EBITDA (1) to compare our operating performance on a consistent basis, (2) to calculate incentive compensation for our employees, (3) for planning purposes including the preparation of our internal annual operating budget, (4) to evaluate the performance and effectiveness of our operational strategies, and (5) to assess compliance with various metrics associated with the agreements governing our indebtedness. Accordingly, we believe that EBITDA provides useful information in understanding and evaluating our operating performance in the same manner as management. We define EBITDA as net income plus (a) total depreciation and amortization, (b) interest expense, net, and (c) income tax expense.

The following table is a reconciliation of Net income to EBITDA for the years ended December 31, 2021 and 2020:

	2021	2020
Net Income	\$ 31,566,862	\$ 18,281,691
Interest	302,674	249,480
Taxes	7,873,109	4,522,668
Depreciation	1,887,048	1,274,095
Amortization	2,500,620	955,937
EBITDA	<u>\$ 44,130,313</u>	<u>\$ 25,283,871</u>

EBITDA should be considered in addition to, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. It is not a measurement of our financial performance under GAAP and should not be considered as alternatives to revenue or net income, as applicable, or any other performance measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other businesses. EBITDA has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our operating results as reported under GAAP. EBITDA does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of ongoing operations; and other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

Compensation Philosophy

The Company's compensation philosophy is to provide compensation that will attract and retain high-performing talent, motivate the Company's executive officers to create long-term value and enhance stockholder value, provide a fair reward for their accomplishments, and foster our executive officers' professional and personal growth. The Company believes that the compensation of its executive officers should align the executive officers' interests with those of the stockholders and focus executive officer behavior not only on the achievement of near-term corporate goals, but also on the achievement of long-term business objectives and strategies.

Our Compensation Committee has the sole authority and responsibility to review and determine, or recommend to the Board for determination, the compensation package of our Chief Executive Officer and our Chief Financial Officer. The Compensation Committee considers our CEO's recommendations as to the executive officers' compensation (other than his own) based on his review of the performance of our executive officers. Our Compensation Committee is composed entirely of independent directors who have never served as officers of the Company.

Compensation Objectives

The Company's compensation programs for its executive officers are designed to provide the following:

- base salaries commensurate with such person's responsibility, experience, tenure and job performance;
- annual cash incentive compensation that motivates the executive officers to lead and manage the business to meet the Company's short- and long-term objectives;
- equity incentive compensation to ensure that its executive officers are motivated over the long-term to respond to the Company's business challenges and opportunities as owners and not just as employees, thereby aligning the executive officers' interests with those of stockholders; and
- compensation that is competitive with other companies with which the Company may compete for talent, determined by comparing the Company's pay practices with these companies.

2021 Executive Compensation Elements

The elements of our 2021 executive compensation program are: (i) base salary, (ii) annual cash bonus, (iii) long-term incentive compensation, and (iv) benefits. The following discussion explains these elements and their primary purposes with respect to our 2021 executive compensation program.

The table below summarizes our total compensation mix for 2021. It excludes certain items that are reflected as "All Other Compensation" in the 2021 Summary Compensation Table. Such items are not typically considered in the Compensation Committee's pay deliberations because the amounts are not material and, in certain cases, non-recurring.

2021 PAY ELEMENTS				
	Base Salary (1)	Target Annual Bonus (2)	Restricted Stock Units	Variable Compensation (3)
CEO	43%	26%	30%	56%
Other NEOs	47%	33%	17%	51%

(1) Annual base salary rate set by the Compensation Committee in February 2021.

(2) Calculated at the target level of performance.

(3) Variable compensation includes annual incentive compensation and restricted stock units.

Base Salary. Base salary is a fixed element of compensation that we pay to each executive officer for the performance of his or her primary duties and responsibilities. Generally, each respective executive officer's base salary is commensurate with such person's responsibility, experience, tenure and job performance. Base salaries are reviewed on an annual basis and at the time of promotion or other change in job function and responsibilities. A number of factors are considered when determining individual salary levels. These factors include (i) the individual's overall performance and the level of responsibility and complexity of the executive's job; (ii) the performance of the business unit(s) or function(s) under his or her leadership; (iii) how the executive officer's salary compares to those of our other executives; (iv) our overall performance and achievements; (v) the economic and business conditions affecting the Company at the time of the review; and (vi) salaries paid by companies within our competitive peer group for the same or similar positions. Market adjustments to executive base salaries may be made when there is a significant change in an officer's position or responsibilities or if competitive market data indicates a significant deviation compared to market salary practices. However, while we may be guided by such events and data, we do not set compensation levels at targeted or specific levels relative to that of a particular peer, competitor or industry group.

The following 2021 base salaries were approved by the Compensation Committee in March 2021 for the Named Executive Officers.

BASE SALARY			
Name	2020 Base Salary (\$)	2021 Base Salary (\$)	Change (%)
Ryan L. Pape	432,500	495,000	14.5%
Barry Wood	303,500	347,050	14.4%
Mathieu Moreau	n/a	275,000	n/a
Brooks Meltzer (1)	\$194,700	265,000	6.0%

- (1) Mr. Meltzer joined the Company in March 2020. The percentage increase reflects an increase over Mr. Meltzer's base salary had he been employed by the Company for all of 2020.

Annual Cash Bonus. The 2021 bonus plan established target cash award amounts as a percentage of base salary, which varies by executive position. The 2021 bonus plan considered two performance metrics tied to pre-defined goals (50% gross revenues and 50% earnings per share). The 2021 payout opportunities ranged from 0% to 150% of target depending on performance versus the goals. The table below shows the calculation of the 2021 performance results.

Measure	PERFORMANCE GOALS			Actual Result	Resulting Payout
	Threshold (0% payout)	Target (100% payout)	Stretch (150% payout)		
Gross Revenues (50% weight)					
(in \$millions)	\$159.94	\$186.30	\$195.62	\$259.20	150%
Earnings Per Share (50% weight)					
(in \$)	\$0.67	\$0.71	\$0.78	\$1.14	150%

The Compensation Committee believes the 2021 annual bonus plan aligns pay for performance and the interests of management with stockholders. The table that follows shows the calculation of the bonus payouts achieved for the Named Executive Officers for 2021, which are disclosed in the *Summary Compensation Table*. The 2021 annual bonus payments will be paid in April 2022. Please refer to the *Grants of Plan-Based Awards Table* for additional information regarding the annual bonus plan.

ANNUAL CASH BONUS					
Name	2021 Base Salary (\$)	Target Payout (% Salary)	Target Bonus Payout (\$)	Bonus Earned (% Target)	2021 Bonus Payout (\$)
Ryan L. Pape	495,000	60.0 %	297,000	150.0 %	445,500
Barry Wood	347,050	40.0 %	138,820	150.0 %	208,230
Mathieu Moreau	275,000	35.0 %	96,250	150.0 %	144,375
Brooks Meltzer	265,000	35.0 %	92,750	150.0 %	139,125

2021 Long-Term Incentive Compensation. At the 2020 Annual Meeting, the Company’s stockholders approved the 2020 XPEL, Inc. Equity Incentive Plan (the “2020 Plan”). A total of 275,000 shares of common stock are reserved for issuance under the 2020 Plan. Under the 2020 Plan, the Compensation Committee may grant stock options, restricted stock, restricted stock units (“RSUs”) and performance units or performance shares to our executive officers and non-employee directors.

Our Board of Directors believes that our success depends, in large part, on our ability to maintain a competitive position by: attracting and retaining the best available personnel for positions of substantial responsibility; providing effective incentives to employees, directors and consultants; and promoting the success of the Company’s business. We believe that a stock-based compensation program is central to this objective. In July 2021, the Compensation Committee, in its sole discretion, awarded the Named Executive Officers restricted stock units (“RSUs”). The RSUs will vest in four equal annual increments of 25% beginning July 15, 2022 (one year after the grant date), subject to continued employment. The 2021 grants of RSUs to the Named Executive Officers are disclosed in the *Summary Compensation Table* and the *Grants of Plan-Based Awards Table*.

2022 Executive Compensation Program Updates

During the first quarter of 2022, the Compensation Consultant performed a comprehensive review of the Company’s executive compensation and governance practices with the assistance of its independent compensation consultant. Based on this review, the Compensation Committee adopted the following practices designed to align the interests of our executive team with those of our stockholders and with market best practice:

What We Do

- ✓ Grant compensation that is primarily at-risk and variable
- ✓ Subject short-term incentive compensation to measurable and rigorous goals
- ✓ Use an independent compensation consultant
- ✓ Cap annual cash incentive payments at 150% of target to mitigate excessive risk taking
- ✓ Provide competitive compensation that is compared against an industry peer group

What We Don’t Do

- × Provide excessive severance benefits
- × Reprice stock options
- × Provide excessive perquisites
- × Allow hedging or pledging of Company stock
- × Provide tax gross-ups on any forms of compensation or benefits
- × Provide “single trigger” change in control payments
- × Provide supplemental executive retirement plans

Independent Consultant. The Compensation Committee has the authority to directly retain the services of independent consultants and other experts to assist in fulfilling its responsibilities. In July 2021, the Compensation Committee engaged FW Cook

to review our executive compensation programs and to assess our executive officers' base salaries, annual incentives, and long-term incentive practices from a competitive standpoint. The Compensation Committee assessed the independence of FW Cook pursuant to SEC rules and the corporate governance rules of The NASDAQ Stock Market and concluded that no conflict of interest exists that would prevent FW Cook from independently advising the Compensation Committee. FW Cook has assisted the Compensation Committee in defining the appropriate market of our peer companies for executive compensation and practices and in benchmarking our executive compensation program against the peer group.

Peer Group and Benchmarking. In October 2021, FW Cook provided the Compensation Committee with an analysis of base salary, target bonus, target total cash, long-term incentive value and design and target total compensation for executives of diversified consumer product companies with comparable business characteristics to the Company. In performing this analysis, FW Cook used a peer group of 13 companies, which was reviewed and approved by our Compensation Committee.

The peer group being used in the analysis in 2022 will consist of the following companies:

Clarus Corporation	Marine Products Corporation	WD-40 Company
Dorman Products, Inc.	Marrone Bio Innovations, Inc.	Winmark Corporation
e.l.f. Beauty, Inc.	Mister Car Wash, Inc.	YETI Holdings, Inc.
Fox Factory Holding Corp.	Purple Innovation, Inc.	
GrowGeneration Corp.	Vivant Smart Home, Inc.	

The peer group will be used in making 2022 compensation decisions by the Compensation Committee. The Compensation Committee will use the peer group compensation data as one of several factors in determining appropriate compensation parameters for base salary, variable cash compensation and equity-based, long-term incentives. The Compensation Committee's executive compensation decisions are made on a case-by-case basis, and specific benchmark results do not, in and of themselves, determine individual target compensation decisions.

Other Benefits. The Company provides certain additional benefits to executive officers that are also generally available to employees, including medical, dental, vision and life insurance coverage and 401(k) matching contributions; however, the Compensation Committee in its discretion may revise, amend or add to these benefits.

Tax and Accounting Considerations. We have not provided or agreed to provide any of the Company's executive officers or directors with a gross-up or other reimbursement for tax amounts they might pay pursuant to Section 4999 or Section 409A of the Code. Sections 280G and 4999 of the Code provide that executive officers, directors who hold significant stockholder interests and certain other service providers could be subject to significant additional taxes if they receive payments or benefits in connection with a change in control of the Company that exceed certain limits, and that we or our successor could lose a deduction on the amounts subject to the additional tax. Section 409A also imposes additional significant taxes on the individual in the event that an employee, director or service provider receives "deferred compensation" that is not exempt from or does not meet the requirements of Section 409A.

For the Company's financial statements, cash compensation, such as salary and bonus, is expensed and for income tax returns, cash compensation is generally deductible except as set forth below. For equity-based compensation, we expense the fair value of such grants over the requisite service period.

Generally, Section 162(m) of the Code disallows a federal income tax deduction for public corporations of remuneration in excess of \$1 million paid for any fiscal year to a "covered employee" of the Company. With respect to taxable years beginning before January 1, 2018, remuneration in excess of \$1 million was exempt from this deduction limit if it qualified as "performance-based compensation" within the meaning of Section 162(m). Pursuant to the Tax Cuts and Jobs Act of 2017, effective for taxable years beginning after December 31, 2017, Section 162(m) was amended to: (1) expand the scope of individuals who are "covered employees," including anyone who was a covered employee in any prior taxable year beginning after December 31, 2016, (2) expand the types of companies what are subject to the limitations of Section 162(m), and (3) eliminate the exception for performance-based compensation and commissions. Transition relief provided that any payment made pursuant to a written and binding agreement that was in effect as of November 2, 2017 and subsequently materially modified, would be subject to the limitations of Section 162(m) as in effect prior to the amendment. Accordingly, compensation paid to our covered employees in excess of \$1 million will not be deductible unless it qualifies for the transition relief applicable to certain arrangements in place as of November 2, 2017, as described above. Furthermore, because of the uncertainties as to the application and interpretation of Section 162(m) as revised by the Tax Cuts and Jobs Act of 2017, including the uncertain scope of the transition relief, no assurance can be given that previously granted compensation intended to satisfy the requirements for performance-based compensation will, in fact, qualify for such exception.

The Compensation Committee believes that stockholder interests are best served if it retains maximum flexibility to design executive compensation programs that meet stated business objectives. For these reasons, the Compensation Committee, while considering tax deductibility as a factor in determining executive compensation, may not limit such compensation to those levels that will be deductible, particularly in light of the elimination of the expansion of the covered employee group and the elimination of the exception for performance-based compensation.

Compensation Risk Assessment. The Compensation Committee considers and evaluates risks related to the Company's cash and equity-based compensation programs and practices as well as evaluates whether the Company's compensation plans encourage participants to take excessive risks that are reasonably likely to have a material adverse effect on the Company. Consistent with SEC disclosure requirements, the Compensation Committee has worked with management to assess compensation policies and practices for Company employees and has concluded that such policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

CEO Pay Ratio

We determined the pay ratio by dividing the total 2021 compensation of the CEO as disclosed in the Summary Compensation Table by the total 2021 compensation of the median employee, using the same components of compensation and valuation methodology as used in the Summary Compensation Table for the CEO.

The total compensation of our median employee is \$39,613. The pay ratio calculation as of December 31, 2021 was 33:1.

Our median employee for 2021 was determined using the compensation of domestic and international employees who were actively employed on December 31, 2021. We used cash compensation through December 31, 2021 to determine the median employee.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of XPEL has reviewed and discussed the Compensation Discussion & Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion & Analysis be included in this proxy statement.

This report is submitted by the members of the Compensation Committee.

Mark E. Adams, Chairman
Richard L. Crumly
Michael A. Klonne

COMPENSATION OF NAMED EXECUTIVE OFFICERS OF THE COMPANY

As of the date of this proxy statement, the Company had four named executive officers, Ryan L. Pape, Chairman of the Board, President and Chief Executive Officer, Barry R. Wood, Senior Vice President, Matthieu A. Moreau, Senior Vice President of Sales and Chief Financial Officer, and Brooks A. Meltzer, Vice President and General Counsel.

The following table provides compensation information for the Company's three most recently completed financial years in respect of the named executive officers.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (2) (\$)	Total (\$)
Ryan L. Pape Chairman of the Board and President and CEO	2021	495,000		350,000	445,500	12,000	1,302,500
	2020	495,000	—	—	273,285	12,000	775,285
	2019	420,000	—	—	199,500	12,000	631,500
Barry R. Wood Senior Vice President and CFO	2021	347,050		250,000	208,230	12,000	817,280
	2020	347,050	—		127,544	12,000	486,594
	2019	295,000	30,000		98,100	2,000	435,100
Matthieu A. Moreau (3) Senior Vice President - Sales	2021	275,000	—	250,000	144,375	12,000	681,375
Brooks A. Meltzer (4) Vice President and General Counsel	2021	265,000		125,000	135,188	12,000	537,188
	2020	194,700	—		66,413	12,000	273,113

(1) The amounts in this column reflect the aggregate grant date fair value of stock awards granted during a given year to the named executive officer calculated in accordance with FASB ASC Topic 718. See Note 12 to the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission for a discussion of all assumptions made in the calculation of this amount.

(2) Consists of Company paid health insurance premiums.

(3) Mr. Moreau became a named executive officer in May 2021.

(4) Mr. Meltzer joined the Company in March 2020.

None of our named executive officers has an employment agreement.

Grants Of Plan-Based Awards

The following table provides information with regard to grants of non-equity incentive compensation and all other stock and option awards to our named executive officers in 2021.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			All other Stock Awards; Number of Shares of Stock or Units (2)	Grant Date Fair Value of Stock and Option awards (3)
		Threshold (\$)	Target (\$)	Maximum (\$)		
Ryan L. Pape	3/04/21	0	297,000	445,500	-	-
	7/15/21				4,157	\$350,000
Barry R. Wood	3/04/21	0	138,820	208,230	-	-
	7/15/21				2,969	\$250,000
Matthieu A. Moreau	3/04/21	0	96,250	144,375	-	-
	7/15/21				2,969	\$250,000
Brooks A. Meltzer	3/04/21	0	92,750	139,125	-	-
	7/15/21				1,485	\$125,000

- (1) Reflects awards under the Annual Bonus Plan. Please see the discussion under “Compensation Discussion & Analysis – Elements of Executive Compensation – Annual Bonuses” for more information. Please also refer to column 5 of the Summary Compensation Table.
- (2) Represents shares of common stock to be received upon vesting of Restricted Stock Units subject to time-based vesting conditions granted under the 2020 Plan.
- (3) Represents the grant date fair value determined pursuant to FASB ASC Topic 718, based on the closing price of our common stock on the applicable grant date. The closing price of our common stock on July 15, 2021 was \$84.19 per share. See Note 12 to the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission for a discussion of all assumptions made in the calculation of this amount

Outstanding Equity Awards At Fiscal Year End

The following table provides information concerning outstanding equity awards at December 31, 2021 for our named executive officers.

Name	Number of Share or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(1)
Ryan L. Pape	4,157	4,157	283,840
Barry R. Wood	2,969	2,969	202,723
Matthieu A. Moreau	2,969	2,969	202,723
Brooks A. Meltzer	1,485	1,485	101,396

(1) The market value was calculated based on the closing price of XPEL's common stock on December 31, 2021 of \$68.28 per share multiplied by the number of shares of stock that had not vested as of December 31, 2021.

Option Exercises And Stock Vested

There were no exercises of stock options and other stock awards by any named executive officers during the fiscal year ended December 31, 2021 and none of the Restricted Stock Units awarded in 2021 had vested as of December 31, 2021.

Pension Benefits

XPEL does not sponsor any pension benefit plans and none of the named executive officers contribute to such a plan.

Non-Qualified Deferred Compensation

XPEL does not sponsor any non-qualified defined compensation plans or other non-qualified deferred compensation plans and none of the named executive officers contribute to any such plans.

Compensation of Directors

The Compensation Committee is responsible for all forms of compensation to be granted to the directors of the Company. The Compensation Committee's mandate includes reviewing and recommending director compensation proposals for approval by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and scope, and the availability of financial and other resources of the Company.

All directors, other than Mr. Pape, receive annual directors' fees of \$87,600, plus \$420 per month for each committee in which they participate. The chairman for each committee receives \$1,150 per month. Mr. Adams, the Lead Independent Director, receives an additional \$2,085 per month.

The following table summarizes the compensation paid to directors, other than Mr. Pape, for the fiscal year ended December 31, 2021.

Name	Fees Earned or Paid in Cash (US\$)	Total (US\$)
Mark E. Adams	130,375	130,375
John A. Constantine (1)	62,300	62,300
Richard K. Crumly	101,050	101,050
Mike A. Klonne	105,950	105,950

(1) Mr. Constantine resigned as a director in July 2021.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Review, Approval, or Ratification of Transactions with Related Persons

The Board of Directors has adopted a formal written related person transaction approval policy, which sets out XPEL’s policies and procedures for the review, approval, or ratification of “related person transactions.” For these purposes, a “related person” is a director, nominee for director, executive officer, or holder of more than 5% of our common stock, or any immediate family member of any of the foregoing. This policy applies to any financial transaction, arrangement or relationship or any series of similar financial transactions, arrangements or relationships in which XPEL is a participant and in which a related person has a direct or indirect interest, other than the following:

- payment of compensation by XPEL to a related person for the related person’s service in the capacity or capacities that give rise to the person’s status as a “related person;”
- transactions available to all employees or all stockholders on the same terms;
- purchases of supplies from XPEL in the ordinary course of business at the same price and on the same terms as offered to any other purchasers, regardless of whether the transactions are required to be reported in XPEL’s filings with the SEC; and
- transactions which when aggregated with the amount of all other transactions between the related person and XPEL involve less than \$10,000 in a fiscal year.

Our Audit Committee is required to approve any related person transaction subject to this policy before commencement of the related person transaction, provided that if the related person transaction is identified after it commences, it shall be brought to the Audit Committee for ratification, amendment or rescission. The chairman of our Audit Committee has the authority to approve or take other actions in respect of any related person transaction that arises, or first becomes known, between meetings of the Audit Committee, provided that any action by the chairman must be reported to our Audit Committee at its next regularly scheduled meeting.

Our Audit Committee will analyze the following factors, in addition to any other factors the members of the Audit Committee deem appropriate, in determining whether to approve a related person transaction:

- whether the terms are fair to XPEL;
- whether the transaction is material to XPEL;
- the role the related person has played in arranging the related person transaction;
- the structure of the related person transaction; and
- the interest of all related persons in the related person transaction.

Transactions with Related Persons in 2021

There were no related party transactions during 2021.

Our Audit Committee may, in its sole discretion, approve or deny any related person transaction. Approval of a related person transaction may be conditioned upon XPEL and the related person following certain procedures designated by the Audit Committee.

PROPOSAL TWO
RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The XPEL Board of Directors has appointed Deloitte and Touche LLP, or Deloitte, to serve as XPEL's independent registered public accounting firm for the fiscal year ending December 31, 2022. Although stockholder ratification is not required, the Board of Directors has directed that such appointment be submitted to the stockholders of XPEL for ratification at the Annual Meeting. Even if the selection is ratified, the Audit Committee, in its discretion, may select a different independent registered public accounting firm at any time if the Audit Committee believes that such a change would be in the best interests of our company and its stockholders. If our stockholders do not ratify the selection of Deloitte, the Audit Committee will take that fact into consideration, together with such other factors it deems relevant, in determining its next selection of an independent registered public accounting firm. A representative of Deloitte will participate in the Annual Meeting, will have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

During 2021, the Audit Committee conducted a competitive selection process to determine the Company's independent registered public accounting firm for the fiscal year ending December 31, 2021. The Audit Committee invited several international public accounting firms to participate in this process, including Baker Tilly US, LLP, or Baker Tilly, the Company's independent registered public accounting firm for the fiscal year ended December 31, 2020. As a result of this process, on July 13, 2021, the Audit Committee approved the appointment of Deloitte as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2021. This action effectively dismissed Baker Tilly as the Company's independent registered public accounting firm as of July 13, 2021.

The audit reports of Baker Tilly on the consolidated financial statements of XPEL and its subsidiaries as of and for the years ended December 31, 2020 and December 31, 2019 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

In connection with the audit of the Company's consolidated financial statements for the fiscal years ended December 31, 2020 and December 31, 2019 and through the date of the appointment of Deloitte, there were: (i) no disagreements between the Company and Baker Tilly on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Baker Tilly, would have caused Baker Tilly to make reference to the subject matter of the disagreement in their report on the Company's financial statements for such year, and (ii) no reportable events within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

The Audit Committee approved the change in the independent registered public accounting firm described herein.

Prior to the change in July 2021 and at all times prior thereto, the Company had not consulted with Deloitte with respect to: (i) the application of accounting principles to a specified transaction, either completed or proposed or the type of audit opinion that might be rendered on the Company's financial statements and no written report or oral advice was provided to the Company by Deloitte that Deloitte concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

Assuming the presence of a quorum, the affirmative vote of the holders of a majority of the shares of common stock present at the Annual Meeting in person or represented by proxy and entitled to vote on the matter is necessary to ratify the appointment of XPEL's independent registered public accounting firm. The proxy card provides a means for stockholders to vote for the ratification of the selection of XPEL's independent registered public accounting firm, to vote against it or to abstain from voting with respect to it. If a stockholder executes and returns a proxy, but does not specify how the shares represented by such stockholder's proxy are to be voted, such shares will be voted FOR the ratification of selection of XPEL's independent registered public accounting firm. Abstentions will have the same legal effect as a vote against the proposal. This proposal is a "routine" matter for which your broker does not need your voting instruction in order to vote your shares.

The Board of Directors recommends a vote "FOR" the ratification of the appointment of Deloitte and Touche LLP, as XPEL's independent registered public accounting firm for the fiscal year ending December 31, 2022.

AUDIT COMMITTEE REPORT

The Audit Committee represents and assists the Board in fulfilling its responsibilities for general oversight of the integrity of XPEL's financial statements, XPEL's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, the performance of XPEL's internal audit function, and risk assessment and risk management. The Audit Committee manages XPEL's relationship with its independent registered public accounting firm (which report directly to the Audit Committee). The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties and receives appropriate funding, as determined by the Audit Committee, from XPEL for such advice and assistance.

XPEL's management is primarily responsible for XPEL's internal control and financial reporting process. XPEL's independent registered public accounting firm, Deloitte and Touche LLP, is responsible for performing an independent audit of XPEL's consolidated financial statements and internal control over financial reporting, and issuing opinions on the conformity of those audited financial statements with United States generally accepted accounting principles. The Audit Committee monitors XPEL's financial reporting process and reports to the Board on its findings.

In this context, the Audit Committee hereby reports as follows:

1. The Audit Committee has reviewed and discussed the audited financial statements with XPEL's management.
2. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") and the SEC.
3. The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent registered public accounting firms' communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm their independence.
4. Based on the review and discussions referred to in paragraphs (1) through (3) above, the Audit Committee recommended to the Board, and the Board has approved, that the audited financial statements be included in XPEL's Annual Report on Form 10-K for the year ended December 31, 2021, and for filing with the Securities and Exchange Commission.

This report is submitted by the members of the Audit Committee.

Michael A. Klonne, Chairman
Mark E. Adams
Richard K. Crumly

FEES PAID TO AUDITORS

Audit Fees. The aggregate fees billed by Deloitte and Touche LLP for professional services rendered for the audit of XPEL's annual financial statements for the year ended December 31, 2021, the reviews of the condensed consolidated financial statements included in XPEL's quarterly reports on Form 10-Q for the year ended December 31, 2021 and the preparation and delivery of consents, comfort letters and other similar documents, were \$625,000. The aggregate fees billed by Baker Tilly US, LLP for professional services rendered for the audit of XPEL's annual financial statements for the year ended December 31, 2020 and the reviews of the condensed consolidated financial statements included in XPEL's quarterly reports on Form 10-Q for the years ended December 31, 2021 (through July 2021), and 2020 and the preparation and delivery of consents, comfort letters and other similar documents, were \$80,750 and \$245,100, respectively.

Audit-Related Fees. The aggregate fees billed by Deloitte and Touche LLP for assurance and related services that were reasonably related to the performance of the audit or review of XPEL's financial statements which are not reported in "audit fees" above, for the year ended December 31, 2021 were \$21,100. The aggregate fees billed by Baker Tilly US LLP for assurance and related services that were reasonably related to the performance of the audit or review of XPEL's financial statements which are not reported in "audit fees" above for the year ended December 31, 2020 was \$105,500.

Tax Fees. The aggregate fees billed by Deloitte and Touche LLP for professional services rendered for tax compliance, tax advice or tax planning for the year ended December 31, 2021, was \$0. The aggregate fees billed by Baker Tilly US LLP for professional services rendered for tax compliance, tax advice or tax planning for the year ended December 31, 2020 was \$62,575.

All Other Fees. The aggregate fees billed by Deloitte Touche LLP for other services, exclusive of the fees disclosed above relating to financial statement audit and audit-related services and tax compliance, advice or planning, for the year ended December 31, 2021 were \$0. The aggregate fees billed by Baker Tilly US, LLP for other services, exclusive of the fees disclosed above relating to financial statement audit and audit-related services and tax compliance, advice or planning, for the year ended December 31, 2020 was \$52,951.

Consideration of Non-audit Services Provided by the Independent Registered Public Accounting Firm. The Audit Committee has considered whether the services provided for non-audit services are compatible with maintaining Deloitte and Touche LLP's and Baker Tilly's independence, and has concluded that the independence of each firm has been maintained.

POLICY ON AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PERFORMED BY INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee's policy is to pre-approve all audit, audit-related and non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. The Audit Committee approved all of the fees described above. The Audit Committee may also pre-approve particular services on a case-by-case basis. The independent registered public accounting firm is required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with such pre-approval. The Audit Committee may also delegate pre-approval authority to one or more of its members. Such member(s) must report any decisions to the Audit Committee at the next scheduled meeting.

PROPOSAL THREE ADVISORY VOTE ON EXECUTIVE COMPENSATION

XPEL asks that you indicate your support for our executive compensation policies and practices as described in our Compensation Discussion and Analysis, accompanying tables and related narrative contained in this proxy statement beginning on page 14. Your vote is advisory and will not be binding on the Board of Directors; however, the Board of Directors will review the voting results and take them into consideration when making future decisions regarding executive compensation.

The Compensation Committee is responsible for executive compensation and works to structure a compensation plan that reflects XPEL's underlying compensation philosophy of aligning the interests of our executive officers with those of our stockholders. Key elements of this philosophy are:

The Board of Directors recommends a vote "FOR" the following resolution:

RESOLVED: That the stockholders approve, on an advisory basis, the compensation of XPEL's executives named in the Summary Compensation Table, as disclosed in this proxy statement pursuant to the executive compensation disclosure rules of the Securities and Exchange Commission, which disclosure includes the Compensation Discussion and Analysis, the compensation tables and other executive compensation disclosures and related material set forth in this proxy statement.

PROPOSAL FOUR FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires us to provide an advisory stockholder vote to determine how often to present the advisory stockholder vote to approve the compensation of our named executive officers (the “say-on-pay vote”). We must solicit your advisory vote on whether to have the say-on-pay vote every 1, 2, or 3 years. Stockholders may vote as to whether the say-on-pay vote should occur every 1, 2 or 3 years, or may abstain from voting on the matter. The frequency (every 1, 2 or 3 years) that receives the highest number of votes will be deemed to be the choice of the stockholders.

We value the opinion of our stockholders and welcome communication regarding our executive compensation policies and practices. After taking into account various considerations described below, we believe that a triennial vote will provide stockholders with the ability to express their views on our executive compensation policies and practices while providing us with an appropriate amount of time to consult with our stockholders and to consider their input.

Our executive compensation is administered by our Compensation Committee, as described in this Proxy Statement. Compensation decisions are complex and, with respect to our named executive officers, are disclosed in our Proxy Statement. We believe that establishing a one-year time frame for holding stockholder advisory votes on executive compensation will enhance stockholder communication.

Although, as an advisory vote, this proposal is not binding upon XPEL or its Board of Directors, the Board will carefully consider the stockholder vote on this matter.

While you have the opportunity to vote for every 1, 2 or 3 years, or abstain from voting on the frequency of future say-on-pay votes, the Board of Directors recommends that you vote for a frequency of every one (1) year.

STOCKHOLDER PROPOSALS FOR 2023 XPEL ANNUAL MEETING

XPEL intends to hold its next annual meeting during the second quarter of 2023. In order to be included in the proxy material for the 2023 Annual Meeting, XPEL must receive eligible proposals from stockholders intended to be presented at the annual meeting on or before December 9, 2022, directed to the XPEL Secretary at the address indicated on the first page of this proxy statement.

According to our Amended and Restated Bylaws, XPEL must receive timely written notice of any stockholder nominations and proposals to be properly brought before the 2023 Annual Meeting. To be timely, such notice must be delivered to the XPEL Secretary at the principal executive offices set forth on the first page of this proxy statement between January 18, 2023 and the close of business on February 17, 2023. The written notice must set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made: (i) the name and address of such stockholder, as they appear on XPEL’s books, and of such beneficial owner, if any, (ii) (a) the class or series and number of XPEL shares which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner, (b) a description of any agreement, arrangement, proxy, relationship or understanding with respect to the nomination or other business between or among such stockholder or beneficial owner or control person, (c) a description of any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of XPEL shares or with a value derived in whole or in part from the value of any class or series of XPEL shares, whether or not such instrument or right shall be subject to settlement in the underlying class or series of XPEL capital stock or otherwise (a “Derivative Instrument”) directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of XPEL shares, (d) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote or direct the voting of any shares of any XPEL security, (e) a description of any short interest in any XPEL security (a person shall be deemed to have a short interest in a security if such person, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (f) a description of any rights to dividends on the XPEL shares owned beneficially by such stockholder that are separated or separable from the underlying XPEL shares, (g) a description of any proportionate interest in XPEL shares or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (h) a description of any performance-related fees (other than an asset-based fee) that such stockholder is entitled to, based on any increase or decrease in the value of XPEL shares or Derivative Instruments, if any, as of the date of such notice including, without limitation, any such interests held by members of such stockholder’s immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date) and (i) a representation of whether the stockholder or the beneficial owner, if any, and any control person will engage in a solicitation with respect to the nomination or business and if so, the name of each participant in such solicitation and whether such person intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of their outstanding stock required to approve or adopt the business to be proposed by the stockholders, and (iii) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder.

If the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, the notice must set forth (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder and beneficial owner, if any, in such business and (ii) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder.

As to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors, the notice must set forth (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K (or any successor rule) if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant, and include a completed, dated and signed questionnaire, representation and agreement.

To be eligible to be a nominee for election or reelection as a director of XPEL, a person must deliver (in accordance with the time periods prescribed above for delivery of notice) to the Secretary at the principal executive offices of XPEL a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (i) is not and will not become a party to (a) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of XPEL, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to XPEL or (b) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of XPEL, with such person's fiduciary duties under applicable law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than XPEL with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, and (iii) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of XPEL, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of XPEL. XPEL may also require any proposed nominee to furnish such other information as may reasonably be required by XPEL to determine the eligibility of such proposed nominee to serve as an independent director of XPEL or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

In the event that the 2023 Annual Meeting is more than 30 days from May 18, 2023 (the anniversary of the 2022 Annual Meeting), the dates for submission of proposals to be included in the proxy materials and for business to be properly brought before the 2023 Annual Meeting will change according to XPEL's Amended and Restated Bylaws and Regulation 14A under the Exchange Act. A copy of XPEL's Amended and Restated Bylaws setting forth the advance notice provisions and requirements for submission of stockholder nominations and proposals may be obtained from the XPEL Secretary at the address indicated on the first page of this proxy statement.

OTHER MATTERS

No business other than the matters set forth in this proxy statement is expected to come before the meeting, but should any other matters requiring a stockholder's vote arise, including a question of adjourning the meeting, the persons named in the accompanying proxy will vote thereon according to their best judgment in the interests of XPEL. If a nominee for office of director should withdraw or otherwise become unavailable for reasons not presently known, the persons named as proxies may vote for another person in his place in what they consider the best interests of XPEL.

Upon the written request of any person whose proxy is solicited hereunder, XPEL will furnish without charge to such person a copy of its annual report filed with the Securities and Exchange Commission on Form 10-K, including financial statements and schedules thereto, for the fiscal year ended December 31, 2021. Such written request is to be directed to Investor Relations, 3251 IH-35, San Antonio, Texas 78219.

By Order of the Board of Directors

Brooks A. Meltzer

SECRETARY

San Antonio, Texas
April 8, 2022

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.

Vote by Internet, Smartphone or Tablet – QUICK ★★★ EASY
IMMEDIATE – 24 Hours a Day, 7 Days a Week or by Mail

XPEL, INC.

Your Mobile or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card. Votes submitted electronically over the Internet must be received by 11:59 p.m., Eastern Time, on May 17, 2022.



INTERNET
www.cstproxyvote.com

Use the Internet to vote your proxy. Have your proxy card available when you access the above website. Follow the prompts to vote your shares.



MOBILE VOTING
On your Smartphone/Tablet, open the QR Reader and scan the below image. Once the voting site is displayed, enter your Control Number from the proxy card and vote your shares.

**PLEASE DO NOT RETURN THE PROXY CARD
IF YOU ARE VOTING ELECTRONICALLY.**



MAIL – Mark, sign and date your proxy card and return it in the postage-paid envelope provided.

▲ FOLD HERE • DO NOT SEPARATE • INSERT IN ENVELOPE PROVIDED ▲

PROXY

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ALL NOMINEES IN PROPOSAL 1, "FOR" PROPOSAL 2, "FOR" PROPOSAL 3 AND "FOR" ONE (1) YEAR IN PROPOSAL 4 ALL OF WHICH HAVE BEEN PROPOSED BY THE BOARD OF DIRECTORS.

Please mark your votes like this



1. To elect as directors to the XPEL Board of Directors the five nominees named below for a term of one year:

- (1) Ryan L. Pape
- (2) Mark E. Adams
- (3) Stacy L. Bogart
- (4) Richard K. Crumly
- (5) Michael A. Klonne

FOR all
Nominees
listed to the
left

WITHHOLD AUTHORITY
to vote (except as marked to
the contrary for all nominees
listed to the left)

3. To approve, on an advisory basis, a resolution on executive compensation.

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. To recommend, by advisory vote, the frequency of future advisory votes on executive compensation.

1 YEAR	2 YEARS	3 YEARS	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Instruction: To withhold authority to vote for any individual nominee, strike a line through that nominee's name in the list above)

2. To ratify the appointment of Deloitte & Touche LLP as XPEL's independent registered public accounting firm for the year ended December 31, 2022.

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: Transact any other business that has been properly brought before the meeting in accordance with the provisions of the Company's Amended and Restated Bylaws.

CONTROL NUMBER

Signature _____ Signature, if held jointly _____ Date _____, 2022.

Note: Please sign exactly as name appears hereon. When shares are held by joint owners, both should sign. When signing as attorney, executor, administrator, trustee, guardian, or corporate officer, please give title as such.

**Important Notice Regarding the Internet Availability of Proxy Materials
for the Annual Meeting of Shareholders**

**To view the 2022 Proxy Statement and 2021 Annual Report
on Form 10-K please go to:
<https://www.cstproxy.com/XPEL/2022>**

▲ FOLD HERE • DO NOT SEPARATE • INSERT IN ENVELOPE PROVIDED ▲

PROXY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

XPEL, INC.

The undersigned stockholder of XPEL, Inc. hereby appoints Ryan L. Pape and Barry R. Wood, and each of them, as proxies and attorneys-in-fact, each with the power to appoint his substitute, and authorizes each of them to represent and to vote, as designated on the reverse hereof, all of the shares of common stock of XPEL, Inc. held of record by the undersigned at the close of business on March 29, 2022 at the Annual Meeting of Stockholders of XPEL, Inc. to be held at the Marriot Rivercenter, 101 Bowie Street, San Antonio, Texas 78205, Conference Room 16, on May 18, 2022, or at any adjournment thereof.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS INDICATED. IF NO CONTRARY INDICATION IS MADE, THE PROXY WILL BE VOTED IN FAVOR OF ELECTING THE FIVE NOMINEES TO THE BOARD OF DIRECTORS, IN FAVOR OF PROPOSAL 2, IN FAVOR OF PROPOSAL 3 AND IN FAVOR OF ONE (1) YEAR IN PROPOSAL 4 AND IN ACCORDANCE WITH THE DISCRETION OF THE PERSONS NAMED AS PROXY HEREIN ON ANY OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

(Continued and to be marked, dated and signed, on the other side)