

XPEL, INC.
711 Broadway St.
Suite 320
San Antonio, TX 78215
(210) 678-3700

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD JUNE 5, 2024

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 via live webcast at www.cstproxy.com/XPEL/2024 on June 5, 2024 at 10:00 a.m. Central Time,

- (1) To elect as directors to the XPEL Board of Directors the five nominees named below:
 - Ryan L. Pape
 - Stacy L. Bogart
 - Richard K. Crumly
 - Michael A. Klonne
 - John F. North
- (2) To ratify the appointment of Deloitte & Touche LLP as XPEL’s independent registered public accounting firm for the year ended December 31, 2024;
- (3) To approve, on an advisory basis, the compensation of the Company’s named executive officers; and
- (4) 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 and FOR Proposals 2 and 3.

The Board of Directors has fixed the close of business on April 16, 2024 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 April 16, 2024 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, 711 Broadway, Suite 320, San Antonio, TX 78215 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.

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,

Babatunde Awodiran
SECRETARY

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders
to be held June 5, 2024:**

This proxy statement, the form of proxy card and our 2024 Annual Report on Form 10-K are available at <https://www.cstproxy.com/xpel/2024>, which does not have “cookies” that identify visitors to the site.

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XPEL, INC.

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(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 2024 Annual Meeting of Stockholders to be held via webcast at www.cstproxy.com/XPEL/2024 on June 5, 2024 at 10:00 a.m. Central Time. 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 26, 2024. 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.

Record Date; Shares Entitled To Vote; Quorum

The Board of Directors has fixed the close of business on April 16, 2024 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 27,633,935 shares of XPEL common stock outstanding, which were held by approximately 13 holders of record. This number of stockholders does not include shares held in “street” name. 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 (which are also applicable to Nasdaq companies). 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 and Proposal Three. 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 & 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 & Touche LLP, as XPEL’s independent registered public accounting firm for the fiscal year ending December 31, 2024.

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.

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 via webcast at www.cstproxy.com/XPEL/2024.
- **Vote by Internet**, by going to the web address <https://www.cstproxy.com/xpel/2024> 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/2024> 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 June 4, 2024.

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 and “FOR” Proposals Two and Three. 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
- participating in the meeting via webcast.

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., 711 Broadway St., Suite 320, San Antonio, TX 78215 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 2024 Annual Meeting of Stockholders will be elected to serve a term of one year and is expected to hold office until the 2025 Annual Meeting of Stockholders and until his or her successor is 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	43	Chair of the Board, President and Chief Executive Officer and Director
Barry R. Wood San Antonio, Texas	61	Senior Vice President and Chief Financial Officer
Babatunde Awodiran San Antonio, TX	55	Senior Vice President, General Counsel and Secretary
Stacy L. Bogart Edina, Minnesota	60	Director
Richard K. Crumly Austin, Texas	67	Director
Michael A. Klonne Miramar Lakes, Florida	71	Director
John F. North Tampa, Florida	46	Director

Executive Officers

Ryan L. Pape has served as our President and Chief Executive Officer since 2009, as a director since 2010 and Chair 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.

Our Board has determined that Mr. Pape is qualified to serve as a director and as Chair, 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.

Babatunde Awodiran, has served as Senior Vice President, General Counsel and Corporate Secretary since May 2023. Mr. Awodiran is responsible for all legal and compliance matters affecting the Company, including managing the legal function, providing effective advice on Company strategies and their implementations, corporate governance and securities law compliance, Board and Board committee matters, commercial and corporate transactions, ethics, and compliance. Prior to joining the Company, Mr. Awodiran served as Group Counsel, Securities and Corporate Law and Assistant Corporate Secretary for Ashland Inc., a global additives and specialty ingredients company. Before this, Mr. Awodiran served in various legal roles at Caterpillar Inc. during his 14 years, most recently as Senior Corporate Counsel, supporting the Industrial Power System Division's global sales and marketing operations. Mr. Awodiran holds an LL.M. from the University of Illinois at Urbana-Champaign and an LL.B. from the University of Ibadan, Nigeria. Mr. Awodiran obtained his US bar license from New York State.

Directors

Ryan L. Pape, see above.

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. Mr. Crumly is also a beneficial owner of approximately 5.1% of our common stock.

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 chair for the Right Step, Inc., a 501(c)(3) Choice School in Milwaukee, WI and as a member of the Board of Directors of Direct Biologics, LLC, a private manufacturer of regenerative biologic products. 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.

John F. North has been a director of XPEL since August 2023. Since September 2022, Mr. North has been serving as the Chief Executive Officer and director of Lazydays Holdings, Inc. (Nasdaq: GORV), an operator of recreational vehicle ("RV") dealerships across the U.S. which also offers a comprehensive portfolio of products and services for RV owners and outdoor enthusiasts. Previously, between October 2020 and September 2022, Mr. North served as senior vice president and chief financial officer at Copart, Inc. (Nasdaq: CPRT), a leading provider of online auctions and vehicle remarketing services. Prior to that, from March 2019 to August 2020, Mr. North served as the chief financial officer of Avis Budget Group, Inc. (Nasdaq: CAR), a global leader in car and truck rental and on-demand car sharing. Prior to joining Avis Budget Group, Inc., Mr. North served for 17 years in a variety of leadership roles with Lithia Motors, Inc. (NYSE: LAD), a publicly traded auto retailer, including as chief financial officer from January 2017 to March 2019, and before that, as chief accounting officer from January 2016 to December 2016. Mr. North earned his B.S. in Finance from Santa Clara University in 1998. He is a Certified Public Accountant and a CFA Charterholder.

Mr. North's prior management experience along with his position as Chief Executive Officer of Lazydays Holdings, Inc. and his broad knowledge of the automotive industry are important qualifications for the Board.

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 4, 5 and 6 detail their individual experiences, together with their past and current board positions.

Meeting Attendance

During the fiscal year ended December 31, 2023, the Board of Directors held five (5) meetings, the Audit Committee held five (5) meetings, the Compensation Committee held four (4) meetings and the Nominating and Corporate Governance Committee held three (3) meetings. In addition, the Board of Directors acted by unanimous written consent six (6) times during the year. During 2023, each director attended at least 75% of all Board and applicable Committee meetings and, other than Mr. Pape, our Chair of the Board, President and Chief Executive Officer, each director received compensation for his or her service to XPEL for his or her 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. A majority of the directors attended XPEL's Annual Stockholder Meeting conducted on May 24, 2023.

Committees of the Board of Directors

XPEL has standing Audit, Compensation and Nominating and Corporate Governance Committees, each of which has a written charter.

The Audit Committee is a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. During 2023, the Audit Committee consisted of Mr. Mark Adams, a former Board director, and Messrs. Crumly and Klonne until Mr. Adams's resignation from the Board of Directors and all committees in June 2023. Mr. North was appointed to the Audit Committee effective October 31, 2023. 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 32, more fully describes the activities and responsibilities of the Audit Committee. During 2023, Mr. Pape, Mr. Wood, and representatives from Deloitte & 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. Since joining in May 2023, Mr. Awodiran served as secretary of the remaining two (2) meetings held during the year. In addition, the representatives from Deloitte & Touche LLP and the Audit Committee met in executive session at each meeting.

During 2023, the Compensation Committee consisted of Messrs. Adams and Crumly and Ms. Bogart until Mr. Adams's resignation from the Board of Directors and all committees in June 2023. Mr. North was appointed to the Compensation Committee effective October 31, 2023 and has served as its Chair since his appointment, replacing Ms. Bogart who had served as interim Chair. The Compensation Committee's role is to establish and oversee XPEL's compensation and benefit plans and policies, to administer the 2020 Equity Incentive Plan, or 2020 Plan, 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 Chair. The Company's personnel support the Compensation Committee in its duties and 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 2023, the Compensation Committee engaged Frederick W. Cook & Co. Inc., which we refer to as 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 also assisted with the preparation of the Compensation Discussion and Analysis section in last year's proxy statement. For more information regarding the processes and procedures of the Compensation Committee, please see "Executive Compensation – Compensation Discussion and Analysis."

During 2023, the Nominating and Corporate Governance Committee consisted of Messrs. Crumly and Klonne and Ms. Bogart. 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: Stacy L. Bogart, Richard K. Crumly, Michael A. Klonne and John F. North. 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 Chair 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 Chair of the Board 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:

- regular executive sessions of the independent directors; and
- annual performance evaluations of the Chair and Chief Executive Officer by the independent directors.

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 until June 2023, and thereafter, Mr. Klonne, presided at all such executive sessions.

Board Oversight of Risk Management

The Board of Directors has an active role, as a whole and 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 and cybersecurity. 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. The Audit Committee of the Board oversees XPEL's cybersecurity risk exposures and the steps taken by management to monitor and mitigate cybersecurity risks. The Director of Enterprise Systems briefs the Audit Committee on the effectiveness of the Company's cyber risk management program on a quarterly basis. 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 and Crumly and Ms. Bogart served on the Compensation Committee during 2023 until Mr. Adams's resignation from the Board of Directors and all committees in June 2023. Mr. North was appointed to the Compensation Committee effective October 31, 2023 and has served as Chair since his appointment, replacing Ms. Bogart who had served as interim Chair following Mr. Adams' resignation. No member of the Compensation Committee was at any time during 2023 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 2023.

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.

Pursuant to its charter, the Nominating and Corporate Governance Committee has the sole authority to retain any third-party search firm to assist it identifying Board member candidates and is currently utilizing the services of a third-party search firm to assist in the identification or evaluation of Board member candidates.

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 2025 XPEL Annual Meeting" beginning on page 33 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. 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, 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+. As the Company continues to expand the Board of Directors, diversity will be one of the key criteria considered. In the matrix below, we have provided the statistical information required by the Board Diversity Disclosure Rule.

Board Diversity Matrix (As of April 16, 2024)			
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 April 16, 2024 (the record date for the Annual Meeting), 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., 711 Broadway St., Suite 320, San Antonio, Texas 78215. 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, LP (1)	3,614,809	13.1%
BlackRock, Inc. (2)	3,611,165	13.1%
The Vanguard Group (3)	1,475,749	5.3%
Mark E. Adams (4)	2,260,811	8.2%
<i>Directors and Executive Officers:</i>		
Stacy L. Bogart (5)	4,218	*
Richard K. Crumly (5)(6)	1,410,773	5.1%
Michael A. Klonne (5)(7)	55,008	*
John F. North (8)	1,032	*
Ryan L. Pape	1,121,426	4.1%
Barry R. Wood (9)	26,080	*
Babatunde Awodiran	-	-
Directors and Executive Officers as a group (7 persons)	2,618,537	9.5%

* Less than one percent (1%)

- (1) Based on the information set forth in the Schedule 13G/A filed by Wasatch Advisors, Inc. on February 9, 2024, 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) Based on the information set forth in the Schedule 13G/A filed by BlackRock, Inc. on January 23, 2024 (the "Schedule 13 G/A"). BlackRock, Inc. has sole voting power to vote or direct the vote of 3,584,514 shares and the sole power to dispose or direct the disposition of 3,611,165. BlackRock Inc.'s address is 50 Hudson Yards, New York, NY 10001.

The following subsidiaries of BlackRock, Inc. beneficially own the shares set forth above:

Aperio Group, LLC
 BlackRock Advisors, LLC
 BlackRock (Netherlands) B.V.
 BlackRock Fund Advisors*
 BlackRock Institutional Trust Company, National Association
 BlackRock Asset Management Ireland Limited
 BlackRock Financial Management, Inc.
 BlackRock Asset Management Schweiz AG
 BlackRock Investment Management, LLC
 BlackRock Investment Management (UK) Limited
 BlackRock Asset Management Canada Limited
 BlackRock Investment Management (Australia) Limited
 BlackRock Fund Managers Ltd

*Entity beneficially owns 5% or greater of the outstanding shares of the security class reported on the Schedule 13G/A.

- (3) Based on the information set forth in the Schedule 13G filed by The Vanguard Group, Inc. ("Vanguard") on December 29, 2023, includes 40,983 shares as to which Vanguard shares voting power, 60,996 shares as to which Vanguard shares dispositive power and 1,414,783 shares as to which Vanguard has sole dispositive power. Vanguard does not have sole voting power as to any shares. Vanguard's clients, including investment companies registered under the

Investment Company Act of 1940, as amended, and other managed accounts, have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities reported herein. Vanguard's address is 100 Vanguard Blvd., Malvern, PA 19355.

- (4) Mark Adams served as a Director until his retirement in June 2023. Number of shares are based on Schedule 13G/A filed by Mr. Adams on February 10, 2023. Includes 8,010 shares owned by Mr. Adams's 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's spouse as to which Mr. Adams has voting and dispositive power.
- (5) Includes 280 shares issuable pursuant to restricted stock units, or RSUs, granted pursuant to the XPEL 2020 Equity Incentive Plan.
- (6) Mr. Crumly has advised the Company that ADAMAS, LLC, of which Mr. Crumly is a control person, is the record owner of 1,076,743 shares of common stock of the Company and that CARPE, LLC, of which Mr. Crumly is a control person, is the record owner of 316,912 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.
- (7) Includes 53,390 shares owned by the Michael A. Klonne Living Trust, of which Mr. Klonne is the sole trustee and has the sole voting and dispositive over all such shares.
- (8) Includes 233 shares issuable pursuant to restricted stock units, or RSUs, granted pursuant to the XPEL 2020 Equity Incentive.
- (9) Includes 252 shares held in Mr. Wood's 401(k) account.

For a description of our current equity incentive plan, see "Executive Compensation — Compensation Discussion and Analysis – 2023 Executive Compensation Elements – 2023 Long-Term Incentive Compensation."

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	91,220	\$58.68	458,780
Equity compensation plans not approved by stockholders	—	—	—
Total	91,220	\$58.68	458,780

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, certain Form 4s filed on June 1, 2023 on behalf on XPEL's independent directors (Messrs. Adams, Crumly, Klonne and Ms. Bogart) should have been filed no later than May 26, 2023, and the Form 4 filed on behalf of Mr. Adams on May 18, 2023 should have been filed no later than May 16, 2023.

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.

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 2023 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 (1)
Babatunde Awodiran	Senior Vice President, General Counsel and Secretary (2)

(1) Mr. Moreau separated service from the Company effective October 31, 2023.

(2) Mr. Awodiran joined the Company on May 1, 2023.

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 2023. Other than its 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” within the meaning of Rule 3b-7 for the Company during 2023 who were employed by the Company on December 31, 2023. 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, 2023. 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.

2023 Company Performance and Business Highlights

For the fiscal year ended December 31, 2023, 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:

- Revenue increased 22.3% to \$396.3 million as compared to \$324.0 million in the prior year;
- Net income increased by 27.6% to \$52.8 million, or \$1.91 per basic and diluted share, compared to \$41.4 million, or \$1.50 per basic and diluted share, in 2022; and
- Earnings before interest, taxes and depreciation (“EBITDA”)⁽¹⁾ grew 25.6% to \$76.9 million, or 19.4% of revenue, as compared to \$61.2 million, or 18.9% in the prior year.

(1) *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, 2023 and 2022:

(in thousands)	2023	2022
Net Income	\$ 52,800	\$ 41,381
Interest	1,248	1,410
Taxes	13,231	10,584
Depreciation	4,534	3,433
Amortization	5,059	4,401
EBITDA	<u>\$ 76,872</u>	<u>\$ 61,209</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, our Chief Financial Officer and our General Counsel. 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.

2023 Executive Compensation Elements

The elements of our 2023 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 2023 executive compensation program.

The table below summarizes our target total compensation mix for 2023. It excludes certain items that are reflected as “All Other Compensation” in the 2023 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.

2023 PAY ELEMENTS				
	Base Salary (1)	Target Annual Bonus (2)	Restricted Stock Units/ Performance Shares	Total Compensation Mix (3)
CEO	25%	15%	59%	25% fixed / 75% variable
Other NEOs (Average)	43%	17%	39%	43% fixed / 57% variable
<p>(1) Annual base salary rate set by the Compensation Committee effective January 1, 2023.</p> <p>(2) Calculated at the target level of performance.</p> <p>(3) Variable compensation includes annual incentive compensation and restricted stock units.</p>				

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 base salary adjustments were approved by the Compensation Committee during 2022 for the Named Executive Officers effective July 1, 2023.

BASE SALARY RATE			
Name	2022 Base Salary (\$)	2023 Base Salary (\$)	Change (%)
Ryan L. Pape	510,000	535,500	5.0%
Barry Wood	358,000	375,900	5.0%
Mathieu Moreau (1)	345,000	358,800	4.0%
Babatunde Awodiran (2)	N/A	330,000	N/A

- (1) Mr. Moureau separated service from the Company effective October 31, 2023.
(2) Mr. Awodiran started with the Company on May 1, 2023.

Annual Cash Bonus. The 2023 bonus plan established target cash award amounts as a percentage of base salary, which varies by executive position. The 2023 bonus plan considered two performance metrics tied to pre-defined goals (50% gross revenue and 50% earnings per share). The 2023 payout opportunities ranged from 0% to 150% of target depending on performance versus the goals. The table below shows the calculation of the 2023 performance results, which resulted in a weighted average payout of 78.5% of target for each of our named executive officers.

Measure	PERFORMANCE GOALS			Actual Result (1)	Resulting Payout
	Threshold (0% payout)	Target (100% payout)	Stretch (150% payout)		
Gross Revenues (50% weight)					
(in Millions)	\$356.04	\$395.60	\$415.38	\$396.30	102%
Earnings Per Share (50% weight)					
(in \$)	\$1.83	\$2.03	\$2.13	\$1.94	55%

(1) Performance results were adjusted to exclude the impact of executive officer and Board of Directors' cash and stock compensation that was not considered in derivation of performance goals.

The Compensation Committee believes the 2023 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 2023, which are disclosed in the Summary Compensation Table. The 2023 annual bonus payments were paid in March 2024. Please refer to the Grants of Plan-Based Awards Table for additional information regarding the annual bonus plan.

ANNUAL CASH BONUS					
Name	2023 Base Salary (\$)	Target Payout (% Salary)	Target Bonus Payout (\$)	Bonus Earned (% Target)	2023 Bonus Payout (\$)
Ryan L. Pape	532,068	60.0%	319,241	78.5%	250,604
Barry Wood	373,491	40.0%	149,396	78.5%	117,276
Mathieu Moreau (1)	N/A	N/A	N/A	N/A	N/A
Babatunde Awodiran (2)	222,116	40.0%	88,846	78.5%	69,744

- (1) Mr. Moreau separated service from the Company effective October 31, 2023 and forfeited eligibility for bonus payout.
(2) Mr. Awodiran joined the Company on May 1, 2023

2023 Long-Term Incentive Compensation. At the 2020 Annual Meeting, the Company’s stockholders approved the 2020 XPEL, Inc. Equity Incentive Plan (which was amended in 2023), which we refer to as the 2020 Plan. A total of 550,000 shares of common stock are currently reserved for issuance under the 2020 Plan. Under the 2020 Plan, the Compensation Committee may grant stock options, restricted stock, restricted stock units, or RSUs, and performance units, or PSUs 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. Our 2023 long-term incentive plan (“LTIP”) consisted of two components: RSUs and PSUs. The Compensation Committee believes these equity award forms and the 50%/50% target weighting appropriately balances ensuring executives have meaningful, long-term equity ownership, promoting stock price-based and financial-based achievements, and aligning the interests of the NEOs with the Company’s risk profile and interests of our shareholders. The RSUs vest ratably over a four-year period and are forfeited if employment ends before vesting, with limited exceptions. The PSUs cliff vest at the end of a three-year performance period and are forfeited if employment ends before vesting, with limited exceptions. The table below shows the 2023 LTIP performance metrics and goals:

Measure	PERFORMANCE GOALS		
	Threshold (50% payout)	Target (100% payout)	Stretch (200% payout)
3-Year Average Revenue Growth (50% Weighting)			
Average Annual Growth (FY23-25)	10.8%	16.6%	18.9%
Cumulative 3-year Revenue Threshold (FY23-25)	\$1billion		
3-Year Average Return on Invested Capital (50% Weighting)			
Average Annual ROIC (FY23-25)	26.1%	30.2%	31.7%

The 2023 LTIP target opportunities established for fiscal 2023 are set forth in the table below:

Named Executive Officer	2023 LTIP Target in \$ (1)	2023 LTIP Target as % of Base Salary
Ryan L. Pape	\$1,250,000	233%
Barry R. Wood	\$400,000	106%
Babatunde Awodiran	\$250,000	76%

- (1) This amount is based on the grant date fair value of the equity awards granted to the NEOs during 2023, calculated in accordance with U.S. GAAP pursuant to Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 718, “Compensation – Stock Compensation.” For further information, see footnote (1) to the “Summary Compensation Table.”

The Compensation Committee has 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
- ✓ A robust clawback policy

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. 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. During 2022, FW Cook provided the Compensation Committee with an updated 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 14 companies, which was reviewed and approved by our Compensation Committee.

The peer group consisted 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 was used in making 2023 compensation decisions by the Compensation Committee. The Compensation Committee uses 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 also considers broader market benchmark data from nationally recognized third-party compensation surveys and the input of our CEO and its independent consultant. 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.

Section 162(m) of the Internal Revenue Code (Section 162(m)) generally disallows a tax deduction to public companies for compensation in excess of \$1 million paid to certain “covered employees” in any single year. 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.

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 and its independent consultant 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.

Compensation Clawback Policy. We have a compensation clawback policy (the “clawback policy”) that is applicable to our executive officers. In August 2023, we adopted our clawback policy, which includes a mandatory recovery element applicable to our current and former Section 16 officers to comply with the incentive-based compensation recovery provisions of the Dodd-Frank Act and the Nasdaq listing standards regarding recovery of erroneously awarded compensation in the event of certain accounting restatements. The clawback policy was filed as Exhibit 97.1 to XPEL’s Annual Report on Form 10-K for the year ended December 31, 2023.

Stock Ownership Guidelines. On August 3, 2023, XPEL’s Board established stock ownership guidelines to strengthen the alignment of executive interests with those of stockholders. The stock ownership guidelines may be satisfied by owning shares of XPEL common stock and by unvested RSU grants. Under the guidelines below, each NEO is precluded from selling any shares of our common stock until the NEO satisfies the ownership guidelines set forth in the following table.

Named Executive Officer	Ownership Guideline	Ownership Guideline at December 31, 2023 (# of Shares) (1)	Current Ownership (Share and/or Share Equivalent)	Current Ownership (Multiple of Salary) (1)
Ryan L. Pape	6x annual base salary	59,666	1,139,498	113.6x
Barry R. Wood	1x annual base salary	6,981	33,376	4.7x
Babatunde Awodiran (2)	1x annual base salary	6,128	1,608	0.3x

(1) The market value of Company stock was calculated based on the closing price of XPEL’s common stock on December 31, 2023 of \$53.85.

(2) Mr. Awodiran joined the Company on May 1, 2023.

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.

John F. North, *Chair*
Stacy L. Bogart
Richard L. Crumly

COMPENSATION OF NAMED EXECUTIVE OFFICERS OF THE COMPANY

As of the date of this proxy statement, the Company had three named executive officers, Ryan L. Pape, Chairman of the Board, President and Chief Executive Officer, Barry R. Wood, Senior Vice President and Chief Financial Officer and Babatunde Awodiran, Senior Vice President, General Counsel and Secretary

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 (2) (\$)	All Other Compensation (3) (\$)	Total (\$)
Ryan L. Pape	2023	532,068	—	1,250,000	250,604	12,000	2,044,672
Chairman of the Board and President and CEO	2022	502,500	—	750,000	268,335	12,000	1,532,835
	2021	495,000	—	350,000	445,500	12,000	1,302,500
Barry R. Wood Senior Vice President and CFO	2023	373,491	—	400,000	117,276	12,000	902,767
	2022	352,525	—	300,000	125,499	12,000	790,024
	2021	347,050	—	250,000	208,230	12,000	817,280
Babatunde Awodiran (4) Senior Vice President and General Counsel	2023	222,116	—	250,000	69,744	8,000	549,860
Mathieu A. Moreau (5) Former Senior Vice President Sales and Product	2023	304,502	—	N/A	N/A	10,000	314,502
	2022	310,000	—	250,000	110,360	12,000	682,360
	2021	275,000	—	250,000	144,375	12,000	681,375

(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, 2023 filed with the Securities and Exchange Commission for a discussion of all assumptions made in the calculation of this amount.

(2) The amounts in this column reflect annual cash incentive compensation earned under our Annual Bonus Plan. Please see the discussion under “Compensation Discussion & Analysis – Elements of Executive Compensation – Annual Bonuses” for more information.

(3) Consists of Company paid health insurance premiums.

(4) Mr. Awodiran joined the Company in May 2023.

(5) Mr. Moreau left the Company in October 2023.

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 2023.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			All other Option 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	06/19/2023	—	321,300	481,950	15,924	1,250,000
Barry R. Wood	06/19/2023	—	150,360	225,540	5,096	400,000
Matthieu A. Moreau (4)	N/A	N/A	N/A	N/A	N/A	N/A
Babatunde Awodiran (5)	06/19/2023	—	132,000	198,000	3,184	250,000

(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 and Performance Stock Units subject to time-based and performance-based vesting conditions granted under the 2020 Plan, respectively.

(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 June 19, 2023 was \$78.50 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, 2023 filed with the Securities and Exchange Commission for a discussion of all assumptions made in the calculation of this amount.

(4) Mr. Mr. Moreau retired in October 2023.

(5) Mr. Awodiran joined the Company in May 2023.

Outstanding Equity Awards At Fiscal Year End

The following table provides information concerning outstanding equity awards at December 31, 2023 for our named executive officers.

Name	Stock Awards		
	Number of Shares 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 (2)	26,214	26,214	1,411,624
Barry R. Wood (3)	9,866	9,866	531,284
Matthieu A. Moreau (4)	N/A	N/A	N/A
Babatunde Awodiran (5)	3,184	3,184	171,458

(1) The market value was calculated based on the closing price of XPEL’s common stock on December 31, 2023 of \$53.85 per share multiplied by the number of shares of stock that had not vested as of December 31, 2023.

(2) Subject to the Mr. Pape's continued service through each vesting date, shares or units of stock that have not vested include the following:

- 7,962 units that will vest in four equal installments on each anniversary of June 19, 2023

- 7,962 units that will "cliff" vest on July 19, 2026
- 8,211 units that will equally vest in three remaining installments on each anniversary of September 7, 2022
- 2,079 units that will equally vest in two remaining installments on each anniversary of July 15, 2021

(3) Subject to Mr. Wood's continued service through each vesting date, shares or units of stock that have not vested include the following:

- 2,548 units that will vest in four equal installments on each anniversary of June 19, 2023
- 2,548 units that will "cliff" vest on July 19, 2026
- 3,285 units that will equally vest in three remaining installments on each anniversary of September 7, 2022
- 1,485 units that will equally vest in two remaining installments on each anniversary of July 15, 2021

(4) Mr. Moreau retired in 2023. There are no unvested shares or units of stock for Mr. Moreau.

(5) Mr. Awodiran joined the Company in May 2023. Subject to his continued service through each vesting date, shares or units of stock that have not vested include the following:

- 1,592 units that will vest in four equal installments on each anniversary of June 19, 2023
- 1,592 units that will "cliff" vest on July 19, 2026

Option Exercises And Stock Vested

There were no exercises of stock options by any named executive officers during the fiscal year ended December 31, 2023. A total of 7,392 RSUs awarded in 2021 and 2022 had vested as of December 31, 2023.

The following table provides information concerning exercises of stock options and vesting of other stock awards by our named executive officers during the fiscal year ended December 31, 2023.

Name	Stock Awards Number of Shares Acquired on Vesting (1)	Value Realized on Exercise (2)
Ryan L. Pape	3,775	295,506
Barry R. Wood	1,836	145,243
Matthieu A. Moreau (2)	N/A	N/A
Babatunde Awodiran (3)	N/A	N/A

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- (1) The number of shares reported includes shares that were surrendered during the year to satisfy taxes upon the vesting of restricted stock units.
 - (2) Reflect the gross number of shares acquired on vesting multiplied by the closing market price of the Company's common stock on the vesting date. Includes the value of shares surrendered to satisfy taxes upon the vesting of restricted stock awards.
 - (3) Mr. Moreau retired from the Company in October 2023.
 - (4) Mr. Awodiran joined the Company in May 2023.

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.

Potential Payments Upon Termination or Change in Control

Under the terms of the XPEL, Inc. 2020 Equity Incentive Plan, which we refer to as the 2020 Plan, in the event of a Change in Control (as defined below), in the event that (i) with respect to awards assumed by the surviving entity of the Change in Control (the "Surviving Entity") or otherwise equitably converted or substituted in connection with a Change in Control, in the event of an

NEO's death or disability or in the event an NEO's employment is terminated by the Surviving Entity (for reasons other than Cause (as defined below) or if an NEO voluntarily terminates his or her employment for Good Reason (as defined below)) within 24 months following a Change in Control, or (ii) the 2020 Plan is terminated by the Surviving Entity or an affiliate of the Surviving Entity following a Change in Control without provision for the continuation of outstanding awards or equitable conversion or substitution of such award in connection with the Change in Control in a manner approved by the Compensation Committee, all awards which have not otherwise expired shall be Accelerated (as defined below).

Under the terms of the 2020 Plan:

“Accelerated” means, with respect to any named executive officer, or NEO:

(A) any and all options shall become fully vested and immediately exercisable, and shall remain exercisable throughout their entire term; and

(B) any restriction periods and restrictions imposed on restricted stock, restricted stock units, performance shares, performance units and other share-based awards shall lapse and with respect to awards with performance-based vesting, unless specifically provided otherwise under the applicable award agreement, a Company policy applicable to the NEO or other written agreement between the NEO and the Company, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

“Cause” means, in the absence of an award agreement or employment or service agreement with the NEO otherwise defining Cause, (i) an NEO's conviction of or indictment for any crime (whether or not involving the Company or any parent or subsidiary of the Company) (A) constituting a felony or (B) that has, or could reasonably be expected to result in, an adverse impact on the performance of the NEO's duties to the Company or any Parent or Subsidiary of the Company, or otherwise has, or could reasonably be expected to result in, an adverse impact on the business or reputation of the Company or any Parent or Subsidiary of the Company; (ii) conduct of an NEO, in connection with his employment or service, that has, or could reasonably be expected to result in, material injury to the business or reputation of the Company or any parent or subsidiary of the Company; (iii) any material violation of the policies of the Company or any parent or subsidiary of the Company including, but not limited to, those relating to sexual harassment or the disclosure or misuse of confidential information, or those set forth in the manuals or statements of policy of the Company or any parent or subsidiary of the Company; (iv) willful neglect in the performance of a NEO's duties for the Company or any parent or subsidiary of the Company or willful or repeated failure or refusal to perform such duties; (v) acts of willful misconduct on the part of an NEO in the course of his employment or service that has, or could be reasonably expected to result in, material injury to the reputation or business of the Company or any parent or subsidiary of the Company; (vi) embezzlement, misappropriation or fraud committed by an NEO or at his direction, or with his personal knowledge, in the course of his employment or service, that has, or could be reasonably expected to result in, material injury to the reputation or business of the Company or any parent or subsidiary of the Company; or (vii) a NEO's breach of any material provision of any employment or service agreement that has, or could be reasonably expected to result in, material injury to the reputation or business of the Company or any parent or subsidiary of the Company, which breach is not susceptible to cure, or that is not cured within thirty (30) days after the NEO is given written notice of such breach by the Company; provided, however, that if, subsequent to an NEO's voluntary termination for any reason or involuntary termination by the Company or any parent or subsidiary of the Company without Cause, it is discovered that the NEO's employment or service could have been terminated for Cause, upon determination by the Compensation Committee, such NEO's employment or service shall be deemed to have been terminated for Cause for all purposes under the 2020 Plan. In the event there is an award agreement or an employment or service agreement with the NEO defining Cause, “Cause” shall have the meaning provided in such agreement, and a termination by the Company or any parent or subsidiary of the Company for Cause is not deemed to have occurred unless all applicable notice and cure periods in such award agreement or employment or service agreement are complied with. The Compensation Committee shall have the sole discretion to determine whether a NEO has been terminated for Cause.

“Change in Control” means the occurrence of any of the following events: (i) A change in the ownership of the Company which occurs on the date that any one person (within the meaning of Section 13(d) of the Exchange Act), or more than one person acting as a group (“Group”), acquires beneficial ownership of the stock of the Company that, together with the stock held by such person, constitutes more than twenty percent (20%) of the total voting power of the stock of the Company;

(ii) The consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company pursuant to applicable stock exchange requirements; provided that immediately following such merger or consolidation the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger or consolidation or parent entity thereof) fifty percent (50%) or more of the total voting power of the Company's stock (or, if the Company is not the surviving entity of such merger or consolidation, fifty percent (50%) or more of the total voting power of the stock of such surviving entity or parent entity thereof);

(iii) during any 12-consecutive month period, the individuals who, at the beginning of such period, constitute the Board (“Incumbent Directors”) cease for any reason other than death to constitute at least a majority of the members of the Board; provided, however, that an individual who becomes a member of the Board subsequent to the beginning of the 12-month period shall be deemed to have satisfied such 12-month requirement and shall be deemed an Incumbent Director if such Director was elected by or on the recommendation of, or with the approval of, at least two-thirds of the Directors who then qualified as Incumbent Directors either actually (because they were Directors at the beginning of such period) or by operation of the provisions of this definition; if any such individual initially assumes office as a result of or in connection with either an actual or threatened solicitation with respect to the election of Directors (as such terms are used in Rule 14a-12(c) of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitations of proxies or consents by or on behalf of a person other than the Board, then such individual shall not be considered an Incumbent Director; or

(iv) the sale, transfer, or assignment to, or other action by any person of all or substantially all of the Company’s assets and business in one or a series of related transactions.

Notwithstanding the foregoing, to the extent an award or any payment thereunder is considered “deferred compensation” subject to Section 409A of the Code, a Change in Control shall not occur unless such transaction constitutes a change in the ownership of the Company, a change in the effective control of the Company, or a change in the ownership of a substantial portion of the Company’s assets under Section 409A of the Code.

“Good Reason” means, in the absence of an award agreement or employment or service agreement with the NEO otherwise defining Good Reason:

(i) a reduction in the NEO’s annual base salary as in effect immediately prior to a Change in Control or as the same may be increased from time to time;

(ii) a change in the principal place of the NEO’s employment, as in effect at the time of a Change in Control, to a location more than fifty (50) miles from such principal place of employment, excluding required travel on the Company’s business; or

(iii) the failure by the Company or any successor, without the NEO’s consent, to pay to the NEO any portion of the NEO’s current compensation, or to pay to the NEO any portion of any deferred compensation, within ten (10) days of the date any such compensation payment is due.

Notwithstanding the above, an event listed in (i)-(iii) above will only constitute Good Reason if (A) the NEO notifies the Board in writing of the underlying circumstances constituting Good Reason within thirty (30) days of the occurrence of the circumstances constituting Good Reason, (B) the Company fails to cure such circumstances within thirty (30) days after receiving written notice thereof, and (C) the NEO terminates his or her employment within thirty (30) days after such cure period has expired.

The following table provides information concerning termination and change in control payments to each of our named executive officers as if the event occurred on December 31, 2023:

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Name	Type of Benefit	Before Change in Control Termination w/o Cause or for Good Reason (\$)	After Change in Control Termination w/o Cause or for Good Reason (\$)	Voluntary Termination (\$)	Death / Disability (\$)	Change in Control (\$)
Ryan L. Pape	RSU Acceleration	0	2,947,857	2,947,857	2,947,857	2,947,857
	Total	0	2,947,857	2,947,857	2,947,857	2,947,857
Barry R. Wood	RSU Acceleration	0	940,975	940,975	940,975	940,975
	Total	0	940,975	940,975	940,975	940,975
Matthieu A. Moreau (2)	RSU Acceleration	N/A	N/A	N/A	N/A	N/A
	Total	N/A	N/A	N/A	N/A	N/A
Babatunde Awodiran (3)	RSU Acceleration	0	427,461	427,461	427,461	427,461
	Total	0	427,461	427,461	427,461	427,461

(1) Mr. Moreau retired from the Company in October 2023.

(2) Mr. Awodiran joined the Company in May 2023.

CEO Pay Ratio

We determined the pay ratio by dividing the total 2023 compensation of the CEO as disclosed in the Summary Compensation Table by the total 2023 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 \$42,224. The pay ratio calculation as of December 31, 2023 was 48:1.

Our median employee for 2023 was determined using the compensation of domestic and international employees who were actively employed on December 31, 2023. We used cash compensation through December 31, 2023 to determine the median employee.

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.

In February 2023, the Compensation Committee approved new annual compensation amounts for our non-employee Directors as follows:

<u>Position</u>	<u>Annual Fee (\$)</u>
Director Retainer	60,000
Lead Director Fee	25,000
<u>Committee Chair</u>	<u>Annual Fee (in lieu of member fee) (\$)</u>
Audit	17,500
Compensation	12,500
Governance	10,000

Each non-employee director may elect to receive the annual director fee, the committee chair fee and the lead director fee in shares of XPEL common stock in lieu of cash. All Directors elected to receive their respective fees in cash in 2023.

The following table summarizes the compensation paid to directors, other than Mr. Pape, for the fiscal year ended December 31, 2023.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(3)(4)	Total (\$)
Mark E. Adams (1)	45,625	N/A	45,625
Stacy L. Bogart	70,000	113,333	183,333
Richard K. Crumly	60,000	113,333	183,333
Michael A. Klonne	77,500	113,333	183,333
John F. North (2)	20,000	58,740	78,740

(1) Mr. Adams resigned as a director in June 2023.

(2) Mr. North became a director in August 2023.

(3) Eligible non-employee directors received a pro-rated annual grant of 498 shares on March 3, 2023 and an annual grant of 1,120 shares on May 24, 2023. Mr. North received a pro-rated annual grant of 697 shares on August 29, 2023. The amounts shown in this column reflect the grant date fair value of the awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, “Compensation – Stock Compensation”, and are calculated using the closing price per share as quoted by NASDAQ on the date of the grant. Equity grant valuation are discussed in Note 12 to the Company’s audited consolidated financial statements for the year ended December 31, 2023, in the Annual Report on Form 10-K filed with the SEC on February 28, 2024.

(4) The current non-employee directors, except for Mr. North, each had 560 shares of restricted stock outstanding at December 31, 2023. Mr. North had 465 shares of restricted stock outstanding at December 31, 2023.

Director Stock Ownership Guidelines

In February 2023, XPEL’s Board has established stock ownership guidelines to strengthen the alignment of director interests with those of stockholders. Under the guidelines below, each director is precluded from selling any shares of our common stock until the director satisfies the ownership guidelines set forth in the following table. The stock ownership guidelines may be satisfied by owning shares of XPEL common stock. Satisfaction of the ownership guidelines will fluctuate with the market value of the shares of XPEL common stock.

<u>Position</u>	<u>Stock Ownership Guidelines</u>
Non-employee Directors	3x annual cash retainer

The Board will review compliance on January 31 of each year. Those directors in compliance as of January 31 of each year must retain minimum ownership until the next compliance date. Those not in compliance will continue to be subject to the requirement until the next compliance date. As of April 16, 2024, all non-employee directors, with the exception of Mr. North, had satisfied the minimum stock ownership guidelines.

PAY VERSUS PERFORMANCE

The following table sets forth the compensation for our Principal Executive Officer (the “PEO”) and the average compensation for our other NEOs, both as reported in the Summary Compensation Table and with certain adjustments to reflect the “compensation actually paid” to such individuals, as defined under SEC rules, for 2020, 2021, 2022 and 2023. The table also provides information on our cumulative total stockholder return (“TSR”), the cumulative TSR of the Russell 2000 Index, Net Income and EBITDA (non-GAAP). We have chosen to use the Russell 2000 Index rather than a peer group because our major competitors are either much larger than we are and their competitive products constitute small lines of business for these companies or other competitors are private companies.

Year (a)	Summary Compensation Table Total for PEO ⁽¹⁾ (b)	Compensation Actually Paid to PEO ⁽²⁾ (c)	Average Summary Compensation Table Total for Non-PEO NEOs ⁽¹⁾ (d)	Average Compensation Actually Paid To Non-PEO NEOs ⁽²⁾ (e)	Value of Initial Fixed \$100 Investment Based On:		Net Income ⁽⁴⁾ (h)	EBITDA ⁽⁵⁾ (i)
					Total Stockholder Return ⁽³⁾ (f)	Peer Group Total Return ⁽³⁾ (g)		
2023	\$ 2,044,672	\$1,496,000	\$726,314	\$586,253	\$896.01	\$121.62	\$52,800	\$76,872
2022	\$ 1,532,835	\$1,401,289	\$736,192	\$674,403	\$1,010.98	\$113.78	\$41,381	\$61,209
2021	\$ 1,302,500	\$1,305,845	\$678,614	\$680,599	\$1,136.11	\$145.06	\$31,567	\$44,131
2020	\$ 775,285	\$775,285	\$379,854	\$379,854	\$857.90	\$127.64	\$18,282	\$25,284

- (1) Compensation for our PEO reflects the amounts reported in “Summary Compensation Table” for the respective years. Our PEO from 2020 to 2023 was Ryan L Pape. Average compensation for non-PEOs include: in 2023, Messrs. Wood and Awodiran; in 2022, Messrs. Wood and Moreau; in 2021, Messrs. Wood, Moreau and Meltzer and in 2020 Messrs Wood and Meltzer. Mr. Meltzer separated service from the Company effective October 14, 2022. Mr. Moreau became an NEO in 2021 and retired in October 2023. Mr. Awodiran joined the Company in May 2023.
- (2) Compensation actually paid for the PEO and average compensation actually paid for our non-PEO NEOs in 2020, 2021, 2022 and 2023 reflect the respective amounts set forth in columns (b) and (d), adjusted in the table below, as determined in accordance with SEC rules. These dollar amounts do not reflect the actual amount of compensation earned by or paid to the PEO and our other NEOs during the applicable year. For information regarding the decision made by our Compensation Committee in regard to the PEO’s and our other NEOs’ compensation for 2020, 2021, 2022 and 2023, see the “Compensation Discussion & Analysis” beginning on page 13.

2023	PEO 2023	Average Non-PEO NEOs 2023
Summary Compensation Table Total	2,044,672	726,314
Less Stock Award Value Reported in Summary Compensation Table for the Covered Year	1,250,034	324,990
Plus Fair Value for Awards Granted in the Covered Year that are Outstanding and Unvested at the End of the Covered Year	857,507	222,939
Change in Fair Value of Outstanding Unvested Awards from Fair Value of Outstanding Unvested Award from Prior Year	(63,901)	(14,811)
Change in Fair Value of Awards from Prior Year that Vested in the Covered Year	(92,245)	(23,199)
Compensation Actually Paid	1,496,000	586,253

2022	PEO 2022	Average Non-PEO NEOs 2022
Summary Compensation Table Total	\$1,532,835	\$736,192
Less Stock Award Value Reported in Summary Compensation Table for the Covered Year	750,000	275,000
Plus Fair Value for Awards Granted in the Covered Year that are Outstanding and Unvested at the End of the Covered Year	657,477	241,081
Change in Fair Value of Outstanding Unvested Awards from Fair Value of Outstanding Unvested Award from Prior Year	(25,630)	(36,912)
Change in Fair Value of Awards from Prior Year that Vested in the Covered Year	(13,396)	(19,129)
Compensation Actually Paid	\$1,401,289	\$674,403

2021	PEO 2021	Average Non-PEO NEOs 2021
Summary Compensation Table Total	\$1,302,500	\$678,614
Less Stock Award Value Reported in Summary Compensation Table for the Covered Year	350,000	208,333
Plus Fair Value for Awards Granted in the Covered Year that are Outstanding and Unvested at the End of the Covered Year	283,840	168,947
Change in Fair Value of Outstanding Unvested Awards from Fair Value of Outstanding Unvested Award from Prior Year	69,505	41,371
Change in Fair Value of Awards from Prior Year that Vested in the Covered Year	—	—
Compensation Actually Paid	\$1,305,845	\$680,599

2020	PEO 2020	Average Non-PEO NEOs 2020
Summary Compensation Table Total	\$775,285	\$379,854
Less Stock Award Value Reported in Summary Compensation Table for the Covered Year	—	—
Plus Fair Value for Awards Granted in the Covered Year that are Outstanding and Unvested at the End of the Covered Year	—	—
Change in Fair Value of Outstanding Unvested Awards from Fair Value of Outstanding Unvested Award from Prior Year	—	—
Change in Fair Value of Awards from Prior Year that Vested in the Covered Year	—	—
Compensation Actually Paid	\$775,285	\$379,854

- (3) TSR is cumulative for the measurement period beginning on December 31, 2019, the date our common stock began trading on the Nasdaq Stock Market, and ending on December 31, 2023, calculated in accordance with Item 201(e) of Regulation S-K. The Russell 2000 Index for purposes of this table is the same as determined under Item 201(e) of Regulation S-K and described in Item 5 of our Form 10-K for the year ended December 31, 2023. We have chosen to use the Russell 2000 Index rather than an industry or line-of-business index because we do not believe our company is comparable to companies in a particular industry or line-of-business such as after-market automotive product companies and we have not used a peer group of companies because our major competitors are either much larger than we are or their competitive products constitute small lines of business for these companies or other competitors are private companies.
- (4) Presented in thousands. Reflects “Net Income” in the Company’s Consolidated Statements of Income included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

- (5) Presented in thousands. The SEC rules require that the pay versus performance disclosure include an unranked list of three to seven performance measures that the Company considers to be its most important measures used to align compensation actually paid to the NEOs to a company’s performance. The table below represent the unranked list of the “most important” financial measures the Company used to align compensation actually paid to our NEOs for fiscal year 2023 to the Company’s performance:

Performance Measure
Cumulative TSR
Revenue
EPS
EBITDA (A)

(A) Please see page 14 for a calculation of EBITDA from our audited financial statements.

Relationship Between Financial Measures and Compensation Actually Paid

Relationship between Compensation Actually Paid to our PEO and the Average Compensation Actually Paid to Non-PEO NEOs and the Company’s Cumulative TSR Across the Reported Period. Cumulatively, from 2020 to 2023, the compensation actually paid to our PEO increased by 93.0% and the average of the compensation actually paid to the Non-PEO NEOs increased by 54.3%, compared to the Company’s cumulative TSR of 4.4% over the same period.

Relationship between Compensation Actually Paid to our PEO and the Average Compensation Actually Paid to Non-PEO NEOs and the Company’s Net Income Across the Reported Period. Cumulatively, from 2020 to 2023, the compensation actually paid to our PEO increased by 93.0% and the average of the compensation actually paid to the Non-PEO NEOs increased by 54.3%, compared to an increase in the Company’s net income of approximately 188.8%, over the same period.

Relationship between Compensation Actually Paid to our PEO and the Average Compensation Actually Paid to Non-PEO NEOs and the Company’s Revenue Across the Reported Period. Cumulatively, from 2020 to 2023, the compensation actually paid to our PEO increased by 93.0% and the average of the compensation actually paid to the Non-PEO NEOs increased by 54.3%, compared to an increase in the Company’s revenue of approximately 149.4%, over the same period.

Relationship between Compensation Actually Paid to our PEO and the Average Compensation Actually Paid to Non-PEO NEOs and the Company’s Earnings Per Share Across the Reported Period. Cumulatively, from 2020 to 2023, the compensation actually paid to our PEO increased by 93.0% and the average of the compensation actually paid to the Non-PEO NEOs increased by 54.3%, compared to an increase in the Company’s earnings per share of approximately 189.4%, over the same period.

Relationship between Compensation Actually Paid to our PEO and the Average Compensation Actually Paid to Non-PEO NEOs and the Company’s EBITDA Across the Reported Period. Cumulatively, from 2020 to 2023, the compensation actually paid to our PEO increased by 93.0% and the average of the compensation actually paid to the Non-PEO NEOs increased by 54.3%, compared to an increase in the Company’s EBITDA of approximately 204.0%, over the same period. Please see page 14 for a calculation of EBITDA from our audited financial statements.

Relationship Between the Company’s TSR and the Russell 2000 Index TSR. The Company’s cumulative TSR for the 2020 through 2023 period was 4.4% compared to the TSR for the Russell 2000 Index of 2.6% over the same period.

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 chair 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 chair 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 2023

There were no related party transactions during 2023.

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 & Touche LLP, or Deloitte, to serve as XPEL's independent registered public accounting firm for the fiscal year ending December 31, 2024. 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.

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 & Touche LLP, as XPEL's independent registered public accounting firm for the fiscal year ending December 31, 2024.

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 & 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, 2023, and for filing with the Securities and Exchange Commission.

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

Michael A. Klonne, Chair
Richard K. Crumly
John F. North

FEES PAID TO AUDITORS

Audit Fees. The aggregate fees billed by Deloitte & Touche LLP for professional services rendered for the audit of XPEL's annual financial statements for the year ended December 31, 2023, the reviews of the condensed consolidated financial statements included in XPEL's quarterly reports on Form 10-Q for the year ended December 31, 2023 and the preparation and delivery of consents, comfort letters and other similar documents, were \$740,000. The aggregate fees billed by Deloitte & Touche LLP for professional services rendered for the audit of XPEL's annual financial statements for the year ended December 31, 2022, the reviews of the condensed consolidated financial statements included in XPEL's quarterly reports on Form 10-Q for the year ended December 31, 2022 and the preparation and delivery of consents, comfort letters and other similar documents, were \$710,000.

Audit-Related Fees. The aggregate fees billed by Deloitte & 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 years ended December 31, 2023 and 2022 were \$68,099 and \$73,300, respectively.

Tax Fees. The aggregate fees billed by Deloitte & Touche LLP for professional services rendered for tax compliance, tax advice or tax planning for the years ended December 31, 2023 and 2022 were \$0.

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 years ended December 31, 2023 and 2022 were \$4,103 and \$0, respectively.

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 & Touche LLP'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

In accordance with the requirements of Section 14A of the Exchange Act and the related rules of the SEC, 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 13. 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. Currently, the Company's stockholders take an annual advisory vote on executive compensation. The next scheduled vote on the frequency of stockholder votes on executive compensation will be at the annual meeting of stockholders in 2028.

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.

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.

STOCKHOLDER PROPOSALS FOR 2025 XPEL ANNUAL MEETING

XPEL intends to hold its next annual meeting during the second quarter of 2025. In order to be included in the proxy material for the 2025 Annual Meeting, XPEL must receive eligible proposals from stockholders intended to be presented at the annual meeting on or before December 27, 2024 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 2025 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 February 4, 2025 and the close of business on March 6, 2025. 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 securities, (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 addition to satisfying the foregoing advance notice requirements under our Amended and Restated Bylaws, to comply with the universal proxy rules under the Exchange Act, a stockholder who intends to solicit proxies in support of director nominees other than Company's nominees must also comply with all other requirements of Rule 14a-19 under the Exchange Act. The Company will disregard any proxies solicited for a stockholder's director nominee(s) if such stockholder fails to comply with such requirements. We will not consider any proposal or nomination that is not timely or otherwise does not meet the bylaw and SEC requirements. We reserve the right to reject, rule out of order, or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

In the event that the 2025 Annual Meeting is more than 30 days from June 5, 2025 (the anniversary of the 2024 Annual Meeting), the dates for submission of proposals to be included in the proxy materials and for business to be properly brought before the 2025 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, 2023. Such written request is to be directed to Investor Relations, 711 Broadway St., Suite 320, San Antonio, Texas 78215.

By Order of the Board of Directors

Babatunde Awodiran
SECRETARY

San Antonio, Texas
April 26, 2024

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 June 4, 2024.



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.



Vote at the Meeting –

If you plan to attend the virtual online annual meeting, you will need your 12 digit control number to vote electronically at the annual meeting. To attend:

<https://www.cstproxy.com/XPEL/2024>



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 AND “FOR” PROPOSAL 2 AND “FOR” PROPOSAL 3.

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) Stacy L. Bogart
- (3) Richard K. Crumly
- (4) Michael A. Klonne
- (5) John F. North

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, the compensation of the Company's named executive officers.

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.

(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, 2024.

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

CONTROL NUMBER

Signature _____ Signature, if held jointly _____ Date _____, 2024.
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 Stockholders**

**To view the 2024 Proxy Statement and 2023 Annual Report
on Form 10-K please go to:
<https://www.cstproxy.com/XPEL/2024>**

▲ 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 April 16, 2024 at the Annual Meeting of Stockholders of XPEL, Inc. to be held via live webcast on June 5, 2024, at 10:00 AM (CDT), 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 AND IN FAVOR OF PROPOSAL 3 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)