

XPEL, INC.

COMPENSATION COMMITTEE CHARTER

Mandate

The primary function of the Committee (the “Committee”) is to assist the board of directors (the “Board of Directors”) of XPEL, Inc., a Nevada corporation (the “Corporation”), in carrying out the responsibilities delegated by the Board of Directors relating to the review and determination of executive compensation. The purposes of the Committee are to:

- A. Review, evaluate, approve, and administer the agreements, plans, policies, and programs of the Corporation to compensate the Corporation’s corporate officers and directors;
- B. Review, evaluate, and approve plans, policies, and programs to compensate the Corporation’s non-executive employees, which shall be administered by the Corporation’s executive officers;
- C. Review and discuss with the Corporation’s management the Compensation Discussion and Analysis (“CD&A”) to be included in the Corporation’s proxy statement for its annual meeting of stockholders (“Proxy Statement”) and to determine whether to recommend to the Board of Directors that the CD&A be included in the Proxy Statement, in accordance with applicable rules and regulations;
- D. Produce the Compensation Committee Report for inclusion in the Corporation’s Proxy Statement, in accordance with applicable rules and regulations;
- E. Otherwise discharge the Board of Directors’s responsibilities relating to compensation of the Corporation’s corporate officers and directors; and
- F. Perform such other functions as the Board of Directors may assign to the Committee from time to time.

Composition

The Committee shall consist of no fewer than three (3) directors who qualify as independent directors under the rules and regulations of the exchanges on which the Corporation’s securities are listed or quoted and any other applicable laws, rules, or regulations and must be free of any relationship that, in the opinion of the Board of Directors, as evidenced by its election of such Committee members, would interfere with the exercise of independent judgment as Committee members. In addition, at least two members of the Committee shall be “Non-Employee Directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934 (the “Exchange Act”), as in effect from time to time. Notwithstanding the foregoing membership requirements, no action of the Committee shall be invalid by reason of any such requirement not being met at the time such action is taken.

Meetings

The Committee will meet as often as necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee or any member of the Committee. All meetings of the Committee shall be held pursuant to the bylaws of the Corporation with regard to notice and waiver thereof, and written minutes of each meeting shall be duly filed in the Corporation records.

A majority of the members of the Committee shall constitute a quorum. Reports of meetings of the Committee shall be made to the Board of Directors at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board of Directors approved by the Committee.

The Committee shall maintain minutes of its meetings and make regular reports to the Board of Directors of its actions and any recommendations to the Board of Directors, directly or through its Chairman.

Each year, the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board of Directors for approval.

Each member of the Committee shall be paid the fee set by the Board of Directors for his or her services as a member of, or Chairman of, the Committee. Subject to the Corporation's Corporate Governance Guidelines and other policies, Committee members will be reimbursed by the Corporation for all reasonable expenses incurred in connection with their duties as Committee members.

Responsibilities and Duties

The Committee's primary duties and responsibilities are to:

A. Executive Compensation

1. The Committee shall exercise oversight of all matters of executive compensation policy.
2. Each year, the Committee shall:
 - a) Review, modify (if necessary), and approve corporate goals and objectives relevant to the compensation of the Corporation's Chief Executive Officer and the Corporation's other executive officers;
 - b) Review, modify (if necessary), and approve the Corporation's executive compensation program (including cash and non-cash components) in light of the Corporation's goals and objectives relative to executive compensation;
 - c) Evaluate the performance of the Corporation's Chief Executive Officer and, in consultation with the Chief Executive Officer, the Corporation's other executive officers in light of those goals and objectives; and
 - d) Set the compensation of the Corporation's Chief Executive Officer and, in consultation with the Chief Executive Officer, the Corporation's other executive officers based on this evaluation, including the annual base salary levels, annual cash incentive awards; long-term incentive awards; employment agreements, severance arrangements and change-in-control agreements and provisions; and any special or supplemental benefits. In determining the long-term incentive component (if any) of such compensation, the Committee should consider, among other factors, the Corporation's performance and relative stockholder return, the value of similar awards to officers at comparable companies and the awards given to the Chief Executive Officer and other executive officers historically.
3. The Committee shall review and discuss with the Corporation's management the CD&A to be included in the Corporation's Proxy Statement and, based on that review, determine whether to recommend to the Board of Directors that the CD&A be included in the Proxy Statement, in accordance with applicable rules and regulations.
4. Each year, the Committee shall prepare a Compensation Committee Report and publish the report in the Corporation's Proxy Statement, in accordance with applicable rules and regulations.

B. Incentive and Equity Compensation

1. Each year, the Committee shall review and make recommendations to the Board of Directors with respect to incentive-compensation plans and equity-based plans that are subject to Board of Directors approval.
2. The Committee shall ensure that stockholders are given the opportunity to vote on equity-compensation plans, as required by law, applicable listing standards, the Corporation's articles of incorporation or bylaws (as amended from time to time), the Corporation's Corporate Governance Guidelines, and the listing rules and regulations of the securities exchange on which any of the Corporation's stock is listed or quoted.

C. Director Compensation

1. Each year, the Committee shall review director compensation and make a recommendation to the Board of Directors regarding the form and amount of director compensation. The Compensation Committee will consider that a director's independence may be jeopardized if (a) his or her compensation and perquisites exceed customary levels, (b) the Corporation makes substantial charitable contributions to organizations with which the director is affiliated or (c) the Corporation enters into consulting contracts with (or provides other indirect forms of compensation to) the director or an organization with which the director is affiliated. Directors who are employees of the Corporation shall not receive any additional compensation for service on the Board of Directors.

D. Other Powers and Responsibilities

1. The Committee shall review and approve, or review and recommend to the Board of Directors for its approval of, any transaction in equity securities of the Corporation, or derivatives of those equity securities, between the Corporation and any officer or director of the Corporation who is subject to the reporting and short-swing liability provisions of Section 16 of the Exchange Act, as amended.
2. The Committee shall monitor the Corporation's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to 401(k) plans and loans to directors and officers and with all other applicable laws affecting employee compensation and benefits.
3. The Committee shall receive and review periodic reports on the Corporation's compensation plans, policies and programs as they affect all employees.
4. If the Committee engages independent legal counsel, a compensation consultant, or other advisors, then the Committee is directly responsible for the appointment, compensation and oversight of such counsel, consultant, or advisor. Prior to any such engagement, the Committee will analyze the relationships such counsel, consultants, or advisors have with members of the Committee as well as management and the Corporation as a whole. This analysis will include the specific factors identified by the Securities and Exchange Commission and the rules and regulations of the exchanges on which the Corporation's securities are listed or quoted that affect the independence of compensation advisors.

Outside Advisors; Funding

The Committee shall have the resources and authority necessary to fulfill the purposes of the Committee and discharge its duties and responsibilities. The Committee shall have the sole authority to retain, establish the scope of the engagement of, obtain advice from, and terminate any compensation consultant, outside legal counsel, or other advisor to be used to assist in the evaluation of the CEO's or the Corporation's other executive officers' compensation without consulting with or obtaining the approval of any officer of the Corporation in advance. The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of its compensation consultant, outside legal

counsel and other advisors retained by the Committee. The Corporation shall provide adequate funding, as determined by the Committee, for the retention of any compensation consultant, outside legal counsel, or other advisor. The Committee shall provide the Corporation with an estimate of all fees and costs of any compensation consultant, outside legal counsel, and other advisors so retained by the Committee prior to the actual start date of any such consultant, counsel, or other advisor. Any communication between the Committee and the legal counsel in the course of obtaining legal advice shall be considered privileged communications of the Corporation. The Committee shall take all necessary steps to preserve the privileged nature of those communications.

In retaining a compensation consultant, outside legal counsel or other advisor, the Committee will consider the independence of such compensation consultant, outside legal counsel or other advisor in accordance with the following factors set forth in Rule 10C-1(b)(4) promulgated under the Exchange Act:

1. The provision of other services to the Corporation by the person that employs the compensation consultant, outside legal counsel, or other advisor;
2. The amount of fees paid from the Corporation by the person that employs the compensation consultant, outside legal counsel, or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, outside legal counsel, or other advisor;
3. The policies and procedures of the person that employs the compensation consultant, outside legal counsel, or other advisor that are designed to prevent conflicts of interest;
4. Any business or personal relationship between the compensation consultant, outside legal counsel, or other advisor and any member of the Committee;
5. Any ownership by the compensation consultant, outside legal counsel, or other advisor of the Corporation's stock; and
6. Any business or personal relationship between the compensation consultant, outside legal counsel, other advisor, or the person that employs that compensation consultant, outside legal counsel, or other advisor, and any executive officer of the Corporation.

The Committee may select, or receive advice from, any compensation consultant, outside legal counsel, or other advisor they prefer, including ones that are not independent, after considering the six independence factors outlined above. The Committee is not required to conduct an independence assessment for a compensation advisor, outside legal counsel, or other advisor that acts in a role limited to the following activities: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Corporation, and that is available generally to all salaried employees; or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the advisor, and about which the advisor does not provide advice.

* * *

In fulfilling their responsibilities hereunder, it is recognized that Members of the Committee are not full-time employees of the Corporation and each Member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Corporation from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary.

Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Members of the Committee, except to the extent otherwise provided under applicable federal or state law.