

## **XPEL, INC.**

### **NOMINATING & CORPORATE GOVERNANCE COMMITTEE CHARTER**

#### **Mandate**

The primary functions of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of XPEL, Inc. (the “Corporation”), are to develop and maintain the corporate governance policies of the Corporation and to assist the Board in (i) identifying, screening, and recruiting qualified individuals to become Board members and (ii) determining the composition of the Board and its committees, including recommending nominees for annual stockholders’ meetings or to fill vacancies on the Board. The Committee shall also assist the Board in assessing the Board’s effectiveness.

#### **Composition**

The Committee shall be comprised of not less than three (3) members, all of whom must 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 may interfere with the exercise of their independence and judgment.

The members of the Committee shall be appointed annually by the Board at a duly convened meeting of the Board. The Chairman of the Committee (the “Chairman”) shall be appointed by the Board. The members of the Committee will serve until their resignation, retirement, or removal by the Board or until their successors shall be duly appointed and qualified. No member of the Committee may be removed except by the vote of the Board, and no reduction in the number of members constituting the full Committee should have the effect of reducing the term of any incumbent member.

#### **Meetings**

The Committee shall meet at least annually, or more frequently as circumstances dictate. In addition, any Committee member may call a special meeting of the Committee. At such meetings, the Committee may request that any directors, officers or employees of the Corporation attend to provide such pertinent information as the Committee requests. A majority of the members of the Committee shall constitute a quorum.

A majority of the Committee’s members constitutes a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

The Committee shall maintain minutes of its meetings and make regular reports to the Board of its actions and any recommendations to the Board, 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 for approval.

Each member of the Committee shall be paid the fee set by the Board 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:

### *Implement Corporate Governance Policies*

1. Provide recommendations to the Board to enhance the Board's effectiveness, including with respect to the timing, amount, and content of information distributed to Board members, the size and composition of the Board, and the frequency of Board meetings.
2. Develop and review on an annual basis, or more frequently if appropriate, the corporate governance policies of the Corporation to ensure that such policies are appropriate for the Corporation and comply with the applicable laws, regulations, and listing standards, and to recommend any changes as necessary to the Board.
3. Appoint subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate. Notwithstanding the foregoing, (i) no subcommittee shall consist of fewer than two members, and (ii) the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation, or listing standard to be exercised by the Committee as a whole.
4. Consider any other corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board.

### *Assess Board Membership Needs and Recommend Board Nominees*

5. Identify candidates for nomination to the Board that will help strengthen and balance the Board, review the qualifications thereof, and nominate candidates to fill vacancies accordingly.
6. Periodically assess the Board's needs and identify suitable candidates for consideration as nominees to the Board. In identifying any candidates, the Committee shall consider whether each candidate would qualify as independent, and where appropriate, his or her skills, experience, perspective, background, and financial expertise, and any other qualifications the Committee deems relevant for the effective functioning of the Board, having regard for the Corporation's strategy and the regulatory, fiscal, political, and market environments in which the Corporation operates. In considering individual director candidates, the Committee also shall take into account diversity of gender, age, race, culture, viewpoints, skill, training, background, and other individual qualifications and attributes in order to achieve the optimal mix of talent, experience, and perspective of the members on the Board, taken as a whole.
7. Search for, screen, recruit, interview, and recommend to the Board the slate of nominees of directors to be elected by the stockholders and any directors to be elected by the Board to fill vacancies and consider management and stockholder recommendations for director candidates, as appropriate. Committee recommendations may include a review of the qualifications of proposed new directors.
8. Adopt policies and procedures relating to the recommendation of nominees by stockholders.
9. Adopt policies and procedures for stockholder communications with the Board.
10. Adopt a policy regarding attendance of directors at the annual meeting of stockholders.
11. Establish and periodically reevaluate criteria concerning tenure and other policies relating to directors service on the Board, including whether to recommend incumbent directors for re-election to the Board. Prior to recommending to the Board an existing director to be nominated for election as a director at the annual meeting of stockholders, the Committee shall consider and review the director's:
  - Board and committee meeting attendance and performance;

- Length of service on the Board;
- Personal and professional integrity, including commitment to the Corporation's core values;
- Experience, skills and contributions that the existing director brings to the Board; and
- Independence under applicable standards.

Make Recommendations Regarding Committee Memberships

12. Recommend directors to be selected for membership on committees of the Board. Committee recommendations may consider the qualifications for membership on each committee.

Evaluation of the Board and Management

13. Sponsor and oversee performance evaluations for the Board as a whole, the directors and management.
14. Monitor director performance and provide assistance to directors regarding performance.
15. Develop and implement the orientation and continuing educational programs for all directors, including orientation and training programs for new directors.

**Performance Evaluation**

The Committee shall conduct a self-evaluation of its performance annually and evaluate whether this Charter appropriately addresses the matters that are or should be within its scope.

In conducting its self-evaluation, the Committee may address all matters that it considers relevant to its performance, including, but not limited to, the following:

1. The adequacy, appropriateness, and quality of the information and recommendations presented by management to the Committee and by the Committee to the Board.
2. The manner in which they were discussed or debated.
3. Whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall report to the Board the results of any self-evaluation, including any recommended amendments to this Charter and any recommended changes to corporate governance policies.

**Investigations and Studies; Outside Advisors**

The Committee may conduct or authorize investigations into or studies of matters within the scope of the Committee's authority and responsibilities, including the authority to request any officer, employee, or advisor of the Corporation to meet with the Committee or any advisors engaged by the Committee.

The Committee shall have the sole authority to retain and determine funding for independent legal counsel and other experts and advisors, including the sole authority to retain, approve the fees payable to, amend the engagement with, and terminate any search firm to assist the Committee in identifying director candidates, as it deems necessary or appropriate to fulfill its responsibilities. The Committee may also utilize the services of the Corporation's regular outside legal counsel or other advisors to the Corporation. The Corporation shall provide for appropriate funding, as determined by the Corporation, for payment of (a) compensation to any advisors employed by the Corporation and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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.