

BUXTON HELMSLEY

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VIA U.S. REGISTERED MAIL & ELECTRONIC MAIL

September 27, 2023

Board of Directors – All Members
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080

Mr. Randy Hyne
Vice President, General Counsel and Secretary
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080
randyh@fossil.com

Re: Proposed Meeting with Sunil Doshi – Fossil Group Inc. (the “Company” or “Fossil”)

Dear Fossil Board of Directors (the “Board”):

The Buxton Helmsley Group, Inc. (“BHG” or “we”) has been advised that the Board has proposed for BHG to speak with Company’s Chief Financial Officer, Sunil Doshi. While we are open to speaking with Mr. Doshi, we still expect a written response to the questions set forth in our letter sent to the Board, dated September 15, 2023 (the “September 15 Letter”).

Though we welcome all invitations to speak with the Board and management on our views, unless the Company intends for each of the points from our September 15 Letter to be addressed in writing, we are of the view that the proposed call with Mr. Doshi would merely be window dressing in place of such fulsome written answers to our questions. In addition, we are concerned that the proposed call with Mr. Doshi could be an attempt by the Company to stall BHG ahead of the December 15, 2023 deadline for stockholders to nominate directors at the upcoming 2024 annual meeting.

Given we are unsure if this proposed meeting is a genuine attempt to answer BHG’s questions, or merely strategic, we must assume a position out of caution that the Board should simply expect – at this point (though, we would certainly like to avoid) – BHG will conduct a proxy contest at the upcoming annual meeting. While we welcome constructive dialogue with members of management and the Board, we – at the current time – are of mind that we must take an active position with the Company in order to ensure positive change for stockholders in the coming months, until such an active position is no longer required. Therefore, in an abundance of precaution, we will begin preparing the

necessary campaign materials/filings and – in the meantime – if this leadership should decide to dissuade us (through appropriate actions – not words) from having to follow through on the planned proxy contest, we would welcome it.

We should note, with regard to the expected written response to the questions in our September 15 Letter, any attempt to evade a direct response will be viewed as a negative inference (especially with respect to the questions where we are merely asking the Company to affirm it is upholding its disclosure obligations under accounting standards and securities laws). We are confident our fellow shareholders will share our view that, absent direct answers, we must assume the worst and take immediate action. Any failure to directly respond will merely reinforce the idea of this Board needing to be refreshed, so that it is assuredly composed of fiduciaries capable of transparency expected by investors. BHG has a handful of individuals on its shortlist who we believe are highly qualified to (if this Board fails to) begin correcting this Board's foundational failures in relation to enhancing and properly communicating the Company's value to the public markets.

The recently announced "Transform and Grow" program seems like a great idea on its face, but not even that will cure the fact that we have not seen the Board take material action to address the Company's obvious and significant underperformance in the market. Once again, no share repurchases in the midst of the Company's stock trading at a third of its certified net asset value. That is, in addition to *zero* personal open market share purchases for every member of this Board over the past three years. If that is the confidence you all have in your ability to successfully direct this Company, shareholders need someone new at the table. Moreover, we have observed this Company's leadership establish a pattern of what we consider to be falling asleep at the wheel (even leading up to the 2016 restructuring) and only waking up to attempt fixing issues when they have ballooned to the extent of nearly entirely derailing the Company's performance. The "Transform and Grow" program, even if successfully carried out, will undoubtedly be dampened by the lack of proactive, strategic balance sheet management (with respect to liquidity and debt, in particular), for the benefit of long-term shareholders (as was addressed in the September 15 Letter).

Between now and December 15, 2023, the Board has a clear opportunity to take action to strategically enhance the financial position of the Company. We believe that is more than enough time to make a meaningful change and avoid a proxy fight in the process. We caution this Board and management that, if the current leadership team instead expends a material portion of its share repurchase program allocation in an attempt to thwart us based on our reasonable inquiries, doing so would only reflect poorly on leadership and reinforce the need for change. In the meantime, we are going to begin speeding up our accumulation of the Company's securities. We remain confident the Company's shares have an intrinsic value of at least \$7/share.

We expect significant progress (as to the points raised in our September 15 Letter) to be disclosed as part of the Company's upcoming quarterly report. Absent sufficient progress, we will be compelled to begin public and private communications with stockholders. Before (and even after) that quarterly filing, the Company can also disclose any material progress by means of Form 8-K filings (or, in the instance of open market share purchases by this Board and management, Form 4 filings). Between now and the upcoming annual meeting, BHG will be very closely watching the Company's public disclosures. If the Company begins making any suspicious public disclosures or sudden changes in its current story of financial stability (only after BHG has asked if the Company if it is properly disclosing asset value impairment and financial condition to investors), we will immediately move forward with public communications and requests for lists of the Company's security holders under relevant statutory authority.

Fossil Group, Inc., et. al.

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We look forward to the Company's written answers to our questions and, thereafter, whatever supplemental color Mr. Doshi may be able to provide during the proposed call. Please do advise when the Company's answers will be received by BHG.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'AEPH', with a long horizontal flourish extending to the right.

Alexander E. Parker
Senior Managing Director
The Buxton Helmsley Group, Inc.

Cc: Mr. Eleazer Klein
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