

# FOSSIL GROUP

October 16, 2023

Buxton Helmsley Group, Inc.  
1185 Avenue of the Americas, Floor 3  
New York, N.Y. 10036  
Attention: Alexander E. Parker

Dear Mr. Parker,

We are in receipt of the most recent correspondence dated October 10, 2023 (the “Letter”) from Buxton Helmsley Group (“BHG”). We have provided the Letter to the Board of Directors (the “Board”) of Fossil Group, Inc. (“Fossil” or the “Company”).

We are committed to maintaining a regular and open dialogue with current and prospective shareholders and welcome their input. To that end, at the Board’s direction, we have consistently responded to BHG’s questions in a constructive manner and within the confines of Regulation FD. In that spirit, please find below our answers to your questions in the Letter. Further, as previously offered, we remain open to meeting with you to discuss any other questions in more detail.

For ease of reference, we have included the numbers and summaries of your questions before each corresponding response. Note that we have not included responses to items 2, 3 and 8 – 14 of the Letter because you either indicated you either had no follow-up questions or such items did not contain questions (although we acknowledge the receipt of such items).

1. *“You only noted ... that [y]our quoted accounting policy applies to Property, Plant and Equipment) covered under GAAP ASC 330 ...”*

**Company Response:** The quote contained in BHG’s September 15, 2023 letter was taken directly from the Company’s “Critical Accounting Estimates - Property, Plant and Equipment and Lease Impairment” in the Company’s Form 10-K for the year ended December 31, 2022 (the “Form 10-K”).

For more information relating to the Company’s policy regarding how and when Other Intangible Assets are tested for impairment and our policy for Inventories that are recorded at the lower of cost or net realizable value, please see “Note 1. Significant Accounting Policies” in the Form 10-K.

The Company and its policies comply with U.S. GAAP, including ASC 350 and ASC 360.

4. *“Regarding the Company's answer Item no. 4 ... [d]oes the Company ever believe that the open market's valuation of the Company's capital structure interests are more accurate than what the Company's leadership is certifying within its quarterly financial reporting filed with the Securities and Exchange Commission ... ?*

**Company Response:** As we have stated previously, the open market valuation of the Company's issued securities is subject to numerous factors. The Company does not control the open market's valuation of the Company's issued securities and is not required under U.S. GAAP, U.S. securities laws or other applicable law to provide its view on market valuation.

5. *“With regard to the Company's answer Item no. 5, we request that the Company fully explain why it cited “Note 9 – Fair Value Measurement” as being related to “material contingent liability risk ...”*

**Company Response:** The Company understands that asset valuations are not related to contingent liability risk.

6. *“With regard to the Company's answer Item no. 6 ... no reason you should not agree with those statements.”*

**Company Response:** The Company understands “fresh-start accounting” and fair value measurements under ASC 820, Fair Value Measurement and Disclosure.

7. *“In response to Item no. 7 ... Why would you not make any effort to estimate ... and disclose the true, fair value of any material appreciable property, plant, and equipment assets ...”*

**Company Response:** As required by and in accordance with Item 102 of Regulation S-K, the Company listed its material owned and leased properties as is required in “Item 2. Properties” in the Form 10-K.

The Company is focused on driving shareholder value every day and growing our businesses. Should you be interested in participating in a call to engage in dialogue that is geared toward taking action that is in the best interests of driving long-term value creation for our shareholders, we remain willing to speak with you after our Q3 earnings report in November.

Sincerely,

A handwritten signature in black ink, appearing to be 'SMD', written over a horizontal line.

Sunil M. Doshi  
Chief Financial Officer  
Fossil Group, Inc.

cc: Kosta N. Kartsothis, Chairman of the Board of Directors and Chief Executive Officer  
Kevin Mansell, Lead Independent Director  
Mark R. Belgya, Chairman of the Audit Committee