BUXTON HELMSLEY

New York Headquarters
1185 Avenue of the Americas, Floor 3
New York, N.Y. 10036

Mr. Alexander E. Parker
Senior Managing Director
E. alexander.parker@buxtonhelmsley.com
T. +1 (212) 951-1530
F. +1 (212) 641-4349

VIA U.S. REGISTERED MAIL & ELECTRONIC MAIL

September 15, 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: Notice of Substantial Ownership and Initial Inquiry – Fossil Group Inc. (the "**Company**" or "**Fossil**")

Dear Fossil Board of Directors (the "**Board**"):

The Buxton Helmsley Group, Inc. ("**BHG**" or "**we**"), a registered investment advisory firm, has begun accumulating a substantial interest in the common stock of the Company through certain of its managed investment accounts. Shortly, and at the appropriate time, BHG intends to begin its filing of public disclosures with the U.S. Securities and Exchange Commission (the "**Commission**") our interests in the Company, pursuant to the obligations under Section 13(d) of the Securities and Exchange Act of 1934.

If the Company is not already aware, it should note BHG's involvement leading up to the bankruptcy filings of Endo International Plc. (formerly, NASDAQ: ENDP) and Mallinckrodt plc. (NYSE: MNK), specifically, leading up to Mallinckrodt's second bankruptcy filing (very recently) on August 28, 2023. In both instances, the companies filed for bankruptcy protection just over a quarter after BHG had gone public with specifically identified apparent violations of applicable accounting standards and securities laws by these companies. Due to conflicting accounting and financial statements made by the companies, between statements made as part of and outside of filings with the U.S. Securities and Exchange Commission, BHG determined that the companies had implicated themselves in apparent accounting and securities fraud schemes. Indeed, the day after BHG went public with its analysis of apparent material misstatements of financials at Mallinckrodt, class-action securities fraud investigations were announced, and certain class-action lawsuits are now pending. In the case of Endo International, within five days of BHG going public concerning Endo's apparent accounting discrepancies and refusal to answer BHG's questions, the Wall Street Journal

reported that the company was under siege by first-lien creditors. BHG was forced to take that public action after Endo's management backed out of its own proposed conference call with BHG. Thus, BHG has a well-established track record of uncovering, identifying and successfully arguing apparent accounting standard and securities law violations. When BHG is forced to speak publicly (when companies refuse to give us answers), there are consequences. While at previous companies that BHG and certain of its investors held a financial interest in (including Endo and Mallinckrodt), we were forced to initiate public campaigns and discuss serious alleged violations of applicable accounting and securities regulations, we do not believe that will be required in the case of this Company and sincerely hope that belief will remain intact.

Given our financial interest in the Company, and prior to accelerating our accumulation of the Company's common stock, we have a few questions we would like answered. We request an initial response to this letter within ten (10) business days of the date of this letter (by September 29, 2023). Many of these questions should not be difficult to answer. Accordingly, we encourage the Company to be forthright in its answers. We hope the Company will agree with us that investors deserve direct answers.

1. Within the Company's recent Form 10-K filing on March 9, 2023, it is stated that part of the Company's accounting policy is that "an impairment loss is recognized for the amount that the asset's book value exceeds its fair value." **Has this accounting policy been complied with in all periodic filings of the Company with the Commission?**
2. The Company is subject to Regulation S-X of the U.S. Securities Act of 1933, as amended ("**Regulation S-X**"). Pursuant to Regulation S-X § 210.5-02(14), the Company is bound to disclose all accumulated depreciation of property, plant, and equipment assets in its periodic filings with the Commission. **Has the Company disclosed all material accumulated depreciation of such assets within its historical periodic filings with the Commission (to ensure that the "property, plant, and equipment – net of accumulated depreciation" line item on the Company's balance sheet is truly "net" of depreciation, representative of the *present* fair value of those assets, and not an unrealistic excess amount of the *historical* cost basis)?**
3. **Does the Company agree that it has charged off any material excess carrying values of assets (any carrying values exceeding the true, fair value of assets)?** The answer to this question should be an unqualified "Yes" (given the Company's obligations under GAAP ASC 350/360 and Regulation S-X).
4. **Does the Company, under any circumstances, believe that the open market's valuation of the Company's issued securities gives way to a more reliable measure of the fair value of asset value securing those capital structure interests than what the Company's leadership has already disclosed and certified within its Commission-filed balance sheets?**
5. **Does the Company believe it has any material contingent liability risk?** If there are any disclosures which will assist in answering this question within the Company's recent filings with the Commission, please point out the specific disclosures within any such filings.
6. **Does the Company disagree, under any circumstances, that the fair value of an asset is what a potential acquirer is willing to give for financial consideration for the acquisition of that asset (even in the event of a reorganization, where the reorganization value is based on the same fair value of assets in an orderly (post-reorganization) market, as set forth under GAAP ASC 852-10-05-10)? More specifically, does the Company**

agree that the value of its assets carried on the books of the Company now (outside of a reorganization setting) represents what the value of those assets would be in the event of a reorganization?

7. GAAP ASC 350/360 does not provide a basis for a delay in the accrual of asset value impairment (with Regulation S-X independently reinforcing the requirement of immediate disclosure of asset value impairment/depreciation). However, where an asset's carrying value (on the books of a company) exceeds its fair value, such an asset's value carried on the books of the Company – in accordance with GAAP – may not be marked up (to report a market value gain) where the asset's fair value may be observed to have risen above the carrying value (e.g., the fair value of a physical building/structure carried on the books of the Company may actually have a higher fair/market value than the asset's value carried on the books of the Company). **Does the Company believe the fair value of any material property, plant, and equipment assets to be materially higher than the carrying value of those assets on the books of the Company (those carrying values reported in periodic filings with the Commission)?**
8. Liquidity is understandably a concern for investors at all times (at even the healthiest and most thriving enterprises), but proactive liquidity management is imperative to long-term success and investor confidence (and therefore, valuations assigned to a company's traded securities). The Company's present credit facility is tied to only certain balances of the Company's assets. **Is there any reason the Company has not entered into a secured revolving credit facility tied to the overall debt-to-capitalization ratio of the Company (whether in addition to the existing credit facility or to replace the existing credit facility and unlock further liquidity)?** We note that, if the Company were to engage a revolving credit facility based on an 85-90% debt-to-capitalization covenant, the Company would unlock an additional $200+ million in available borrowing (based on the Company's latest Commission-filed balance sheet). If the Company is disclosing all accumulated depreciation of non-current assets (as it is obligated to under GAAP and Regulation S-X), the Company appears to have excess liquidity not being proactively unlocked. Open market valuations of a Company's securities are inevitably affected by a lack of proactive liquidity management, so we hope the Company will appropriately respond and timely act upon this item.
9. The Company's preferred equity securities (maturing 11/30/2026) are trading at a material discount to their face value. **Under what circumstances does the Company see itself as unable/unwilling to repurchase those securities, to strategically deleverage for the benefit of common stockholders? Is there any reason that the Company would not be willing to enter into a trading arrangement under Rule 10(b)5-12 for the purpose of continuously repurchasing those preferred equity securities (that is, while those securities continue to trade materially enough below par value)?** As a side note, through the prior-mentioned implementation of a secondary revolving credit facility (based on the Company's debt-to-capitalization ratio), the Company could also strategically deleverage and (immediately) unlock further borrowing availability by repurchasing its preferred equity securities trading at a discount to their face value (in other words, at the same time of repurchasing preferred equity securities at a discount, and thereby adding asset equity value to the Company's balance sheet through such strategic deleveraging at a discount, the Company would then immediately/simultaneously benefit from that added borrowing power under the proposed credit facility tied to the Company's overall debt-to-capitalization ratio, rather than the existing credit facility that merely leverages the value of only certain of the Company's assets).

10. The Company's common stock is also trading at a considerable discount to its certified floor for net asset value ("shareholder's equity") on the books of the Company, beyond the Company's preferred equity securities. **Along with repurchases of the Company's preferred equity securities, would the Board be opposed to the engagement of a simultaneous repurchase (material, but sensible, and not to the extent of the proposed preferred equity repurchases) of the Company's common equity securities (holding those repurchased securities in treasury reserve, for later possible at-the-market re-sale, if seen as prudent and advantageous based on later possible overvaluations in the open market for those securities)? If opposed, why?** It should also be noted, prior to your answer to this numbered item, that the market capitalization for the Company's common stock securities is sitting at *just over* the mere forecasted operating margin optimization (as disclosed on August 9, 2023, approximately $100mm) as part of the Company's just-announced "Transform and Grow" initiative. In essence, purchases of common stock at this level give virtually no consideration to any forward earnings beyond the mere profit enhancement over the next year (given the Company has stated it believes most of the operating margin enhancement will come to fruition by the end of 2024); that is, while the Company's current stock price also fails to reflect over $200mm in certified net asset value.
11. We note that the Company's Board has an active, already-approved common stock repurchase program, though no shares have been repurchased under that program over the past twelve months, even as the Company's stock is now trading at a considerable discount to its certified book value. **Why should public investors be confident enough to purchase the Company's stock at such a discount, if the Company itself is unwilling to – on any level – purchase its shares at such a discount to the certified value of equity? (Again, we assume the Company is disclosing all accumulated depreciation of assets, as it is obligated to do under GAAP and Regulation S-X – the Company already has affirmed that it writes off the carrying values of assets in excess of the actual fair value, as cited earlier.)** This suggestion should not be taken (nor, should anything within items 9 and 10) to be recommending reckless capital allocation and balance sheet management decisions. We specifically note that item 9 should take priority over item 10 (that is, to incrementally deleverage the balance sheet for the benefit of long-term shareholders). Each of points 9 and 10 have a spectrum of increments in which they can be engaged. Any capital allocation of an investor too far into the spectrum would, indeed, be reckless. Though, again, why should an investor purchase a company's securities trading at such an attractive discount to book value, if even the company itself is not willing to put a dollar behind those shares. The confidence of investors (especially, when it comes to the strength of a company's balance sheet) depends – to a large degree – on a company's actions, and how much the company, and its insiders, "put their money where their mouth is", when it comes to what they are publicly disclosing to investors (including, as part of the Company's Commission-filed balance sheets). A company should also be operating under the investing ideal of "buy low, sell high", and it becomes puzzling when a Company appears not to be interested in its own securities – on any level (again, the Company has not made a single share repurchase over the past twelve months) – at such a steep discount.
12. The Company's insiders (including this Board) have made no open market purchases of the Company's common stock over the past 3 years. **Why should public investors be confident enough to purchase the Company's stock, if its own insiders do not have the confidence to invest even a nickel of their personal funds in the Company's stock? (The stock of insiders retained as a result of grants does not illustrate the same level of confidence in the integrity of the Company's Commission-filed balance sheets as those stock**

holdings resulting from an insider's open market purchases with their *own funds*.) We suggest that the Company's Board definitively illustrate their confidence in the Company's balance sheet (and ability to execute its recently-announced "Transform and Grow" initiative) over the next weeks/months, leading up to the next annual meeting of the shareholders; that is, with the members of this Board purchasing a material amount of the Company's securities with their own funds. It is concerning that BHG has a beneficial interest in this Company's stock more than every member of this Board, apart from Mr. Kartsotis (though, upon even our initial Schedule 13(d) filing, that will likely change).

13. As you know, the Company underwent an internal restructuring beginning in 2016. **As a result of that restructuring, what percentage of Fossil retail locations (locations open as of the last quarter) have produced a net profit over the trailing twelve-month period preceding this letter? Are those stores unprofitable enough to be shuttered as part of the recently-announced "Transform and Grow" initiative?** We note that the Company recently announced basic details of its transformation initiative/plans, so we are looking for any additional possible color the Company may be able to provide here.
14. **Is the Board open to (and willing to publicly commit to, as a firm indication of dedication to shareholder interests) proactively fielding interest in a possible acquisition of the Company by entities with clear possible synergies?** To name just one entity with possible synergies and customer overlap which would allow for strategic cross-selling, EssilorLuxottica (or, sometimes referred to as "Luxottica"). Further, it is possible certain customers that have licensing agreements with the Company could be interested in acquiring the Fossil product line and its timepiece manufacturing facilities (for enhanced profit, given the ability to circumvent such a brands' existing licensing agreement). We believe the Board will agree that interest in the Company should be proactively explored, at a time of uncertainty in the financial markets, to protect the Company's shareholders from possible future incremental dissipation of leverage in such a potential transaction. We believe the Board will agree that the Company should consider fielding any possible interest only after proactively unlocking further borrowing power over its asset equity value (and engaging in sensible, but material repurchases of the Company's securities), to maximize the valuations of the Company's common stock prior to such a possible solicitation of interest in the Company.

We lastly point out that the Company, within its most recent periodic filing with the Commission, stated:

> "We believe cash flows from operations, combined with existing cash on hand and amounts available under our credit facilities will be sufficient to fund our cash needs for the foreseeable future, not including the maturities of long-term debt."

What steps is the Company taking to assure long-term shareholder value, to proactively address its long-term indebtedness and maximize its free cash flow (including the steps proposed within the numbered items above)? With respect to the periodic filing quote above, we agree with that assessment of capital and liquidity adequacy, and expect the Company will not cease its upholding of obligations related to long-term debt until (a) such maturities are imminent; (b) the Company has reached out to investors, including BHG; (c) the Company has exhausted the financial resources available via its shareholders, including BHG; and (d) the Company has taken the steps its shareholders expect to make full good-faith efforts to preserve/maximize value throughout the entirety of the capital structure (including an attempt to sell the Company's equity). This said, the Company has more than enough time – leading up

to its nearest-maturing indebtedness (November 2026) – to proactively address those "long-term debt maturities", in the midst of such "sufficient … cash needs for the foreseeable future".

* * *

It is not the intent of BHG, but instead its mere realistic understanding, that the answers to these questions may require broader disclosure than a private letter response, given the provisions of Regulation FD (specifically codified at 17 C.F.R. § 243). Given our interest in continued accumulation of the Company's common equity securities, we are of the general position that we would like to avoid the private exchange of any information that would restrict our trading in the Company's securities. We, therefore, understand if the Company decides to file this letter and the Company's response as part of a Form 8-K filing with the Commission. That all said, we remain open to discussion if the Board should possibly want to avoid broad disclosure and to enter into an agreement with BHG, in the best interest of the Company and its shareholders.

Given that some of these questions should be easily answered (merely affirming compliance with accounting standards and securities laws, largely), we – again – expect an initial response to this letter within ten (10) business days. If certain questions require further time to respond to, we request that the Company's responses be delivered to BHG on a rolling basis.

For the avoidance of doubt, we have not (as of this letter) found any compelling reason to seek any representation on the Board, or to displace/replace any members of this Board (though, the Company's manner of response – or lack thereof – to this letter could change that). We sincerely hope the Board will ensure that the Company responds in a way its shareholders would expect, and hope that the Board will choose to voluntarily carry out clearly advantageous initiatives to protect and maximize long-term shareholder interests. We have no doubt our fellow shareholders would deem the propositions herein just that.

We look forward to the Company's response, with appreciation of your time and attention.

Very Truly Yours,

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

CC: Mr. Kosta N. Kartsotis
Chief Executive Officer
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080

Mr. Sunil M. Doshi
Chief Financial Officer
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080

BUXTON HELMSLEY

New York Headquarters
1185 Avenue of the Americas, Floor 3
New York, N.Y. 10036

Mr. Alexander E. Parker
Senior Managing Director
E. alexander.parker@buxtonhelmsley.com
T. +1 (212) 951-1530
F. +1 (212) 641-4349

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.

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,

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

Cc: Mr. Eleazer Klein
Schulte Roth + Zabel LLP
919 Third Avenue
New York, NY 10022

Mr. Kosta N. Kartsotis
Chief Executive Officer
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080

Mr. Sunil M. Doshi
Chief Financial Officer
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080

FOSSIL
GROUP

September 28, 2023

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

Dear Mr. Parker,

Thank you for each of your letters dated September 15, 2023 and September 27, 2023, both of which have been provided to Fossil's board of directors.

At the direction of the board, we contacted you by email on September 19, 2023 and September 22, 2023 in an effort to schedule a call at a mutually convenient time to review your questions and suggestions. Given our prompt outreach, we are surprised to have received your second letter.

To address the specific accounting-related questions 1 through 7 in your initial letter, we note that the Company's financial statements are prepared in accordance with U.S. generally accepted accounting principles and audited by Deloitte & Touche LLP, the company's independent auditors. Additionally, we note that the following sections of our public filings address your questions:

1. in the Company's Form 10-K for the period ended December 31, 2022, see:
    i. "Item 1A – Risk Factors";
    ii. "Item 7 – Management Discussion and Analysis of Financial Condition and Results of Operation";
    iii. "Notes to Consolidated Financial Statements":
        "1 – Significant Accounting Policies";
        "4 – Warranty Liabilities";
        "6 – Property, Plant and Equipment";
        "9 – Fair Value Measurements";
        "11 – Other Income (Expense) – Net";
        "14 – Commitments and Contingencies"; and

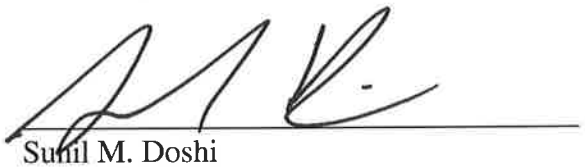
2. in the Company's Form 10-Q for the period ended July 1, 2023, see:
    i. "Item 2 – Management Discussion and Analysis of Financial Condition and Results of Operation ";
    ii. "Notes to Consolidated Financial Statements Unaudited":
        "4 – Warranty Liabilities";
        "11 – Fair Value Measurements"; and
        "13 – Commitments and Contingencies".

We believe that the foregoing is helpful in addressing the accounting-related topics that you have raised and are happy to walk through these and your other questions relating to capital structure, capital deployment and strategic initiatives, subject, of course, to any Reg FD constraints.

Our board and management team are committed to acting in the best interests of all of Fossil's shareholders and we welcome constructive input and dialogue with our shareholders. Please let us know if you would like to schedule a call.

On behalf of Fossil and our board of directors, we thank you for your interest in Fossil Group, Inc.

Sincerely,



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

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

BUXTON HELMSLEY

New York Headquarters
1185 Avenue of the Americas, Floor 3
New York, N.Y. 10036

Mr. Alexander E. Parker
Senior Managing Director
E. alexander.parker@buxtonhelmsley.com
T. +1 (212) 951-1530
F. +1 (212) 641-4349

VIA U.S. REGISTERED MAIL & ELECTRONIC MAIL

September 29, 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: September 28, 2023 Letter to BHG – Fossil Group Inc. (the "**Company**" or "**Fossil**")

Dear Fossil Board of Directors (the "**Board**"):

The Buxton Helmsley Group, Inc. ("**BHG**" or "**we**") is in receipt of the Company's letter dated September 28, 2023 (the "**September 28 Letter**"). We find it telling that the Company saw the necessity to respond to our letter within one day, but find the contents of the response stunningly abhorrent. We wonder whether Mr. Sunhil and Mr. Hyne delivered that letter without the Board's review (we certainly hope that is the case), and – even if that is the case – you have then proven how much you are failing in your management oversight responsibilities.

We provided the Company fourteen detailed questions and you failed to answer *every single one* of them; providing us with mere references to sections of the very Company filings (with the U.S. Securities and Exchange Commission) that prompted BHG's questions in the first place.

BHG asked questions that were as simple as quoting this Company's stated accounting policies, and thereafter simply asking if the Company has complied with those accounting policies. Mr. Doshi apparently cannot even say "yes" when he is asked whether he follows the Company's stated accounting policies. Such an inability to even minimally affirm his compliance with the Company's stated accounting policies renders him worthy of Board investigation (we think, even governmental investigation), and perhaps even discipline up to termination.

BHG is well aware that this Company claims it is reporting financials in compliance with the generally accepted accounting principles of the United States ("**GAAP**"). We also heard that story from Mallinckrodt, which we exposed

for apparent accounting fraud, and which had re-filed for bankruptcy shortly after we published our exposé on how they apparently committed a *post-reorganization* accounting and securities fraud scheme that mirrored their evidenced *pre-reorganization* accounting and securities fraud scheme. Mallinckrodt's post-reorganization shareholders were left with *zero* value after we exposed how they claimed to comply with GAAP, but then soon after admitted (via bankruptcy court disclosures) how they apparently did not comply with GAAP. Even more interestingly, Deloitte was the auditor for Mallinckrodt, and it is therefore the opinion of BHG that Deloitte's "assurance" of financial statement integrity is not the least bit reliable. According to bankruptcy court filings, Mallinckrodt is also apparently under investigation by the U.S. Securities and Exchange Commission and U.S. Department of Justice.

Very simply, we believe you all fail to realize we have been around the block once or twice when it comes to apparently deceptive fiduciaries. Mr. Hyne says he would be "*pleased*" to schedule a call between BHG and Mr. Doshi. If this is the (nonexistent) content/quality of Mr. Doshi's responses, then why would we even schedule a call? Let us save the Company and BHG's time. If Mr. Doshi is not willing to put a single genuine answer in writing, then any of his verbal, off-the-record answers can be thrown in the garbage. We do not wish to hear likely fiction – we wish to hear reality.

We are going to give this Board five business days (until October 6, 2023) to decide whether it wants to answer our questions via private communications. The alternative is BHG going public with a letter to shareholders, to announce our books and records requests (including the Company's shareholder register) and begin gaining interest in calling a special meeting to materially replace this Board (or, possibly acting through written consent to do so in a more streamlined manner); using these very letters for supporting evidence as to the necessity, given this Board (and management) apparently being tongue-tied when asked to merely affirm whether it is upholding its written accounting policies and obligations under applicable accounting standards and securities laws. This Company's leadership has firmly demonstrated, through its evasiveness, both its propensity to engage in shifty accounting and that it apparently cannot be trusted. This Company's shareholders face a grave risk of financial loss when its fiduciaries refuse to affirm with even a simple "yes" as to whether or not they are upholding their written accounting policies, obligations under accounting standards, and securities laws. We will not sit idle.

You have until October 6, 2023. As of that date, we will move to demand shareholder registers. If you think we are bluffing, check our track record – we do not bluff. This will be the last private letter.

Very Truly Yours,

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

Cc: Mr. Eleazer Klein
Schulte Roth + Zabel LLP
919 Third Avenue
New York, NY 10022

Mr. Kosta N. Kartsotis
Chief Executive Officer
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080

Mr. Sunil M. Doshi
Chief Financial Officer
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080

FOSSIL
GROUP

October 6, 2023

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

Dear Mr. Parker,

Thank you for your letters dated September 15, 2023, September 27, 2023 and September 29, 2023, each of which have been provided to Fossil's Board of Directors (the "Board"). While we are confused by the allegations and inferences contained in those letters, we take feedback from all of our shareholders and other stakeholders seriously.

As you know, we have now responded to you on multiple occasions at the direction of the Board in an effort to schedule a call at a mutually convenient time to discuss your questions, including emails on September 19, 2023 and September 22, 2023 and a letter on September 28, 2023. To date, you have demonstrated your unwillingness to speak or meet with us to discuss your questions.

As you are aware, we are prohibited by applicable law (including Reg. FD) from providing selective disclosure of material nonpublic information to any shareholder, except under a confidentiality agreement.

In our most recent letter, we confirmed that our financial statements are prepared in accordance with U.S. GAAP, are audited by a nationally recognized accounting firm, and are in compliance with the Company's stated accounting policies. We have directed you to various sections of our public filings that are responsive to the accounting questions you raised. We have provided this information to you in good faith and in a genuine attempt to answer your questions.

In our continuing effort to answer your questions in a Reg. FD compliant manner, please find below additional responses to the questions from your September 15, 2023 letter. For ease of reference, we have included your question before each corresponding answer.

1. Has this accounting policy been complied with in all periodic filings of the Company with the Commission?

Response: The policy referred to in your question is the Company's accounting policy for Property, Plant and Equipment and Lease Impairment, which is set forth in "Note 1. Significant Accounting Policies - Property, Plant and Equipment" in the

Company's Form 10-K for the year ended December 31, 2022 (the "Form 10-K"). Yes, the Company has complied with this policy in the Form 10-K and subsequent quarterly reports on Form 10-Q.

2. Has the Company disclosed all material accumulated depreciation of such assets within its historical periodic filings with the Commission?

Response: Yes, the Company has disclosed all material accumulated depreciation of property, plant and equipment in the Form 10-K and subsequent quarterly reports on Form 10-Q. As a reminder, the Company reports its property, plant and equipment net of accumulated depreciation on its balance sheets.

3. Does the Company agree that it has charged off any material excess carrying values of assets (any carrying values exceeding the true, fair value of assets)?

Response: Yes, the Company has charged off any material excess carrying value of assets in the Form 10-K and subsequent quarterly reports on Form 10-Q in compliance with U.S. GAAP, including ASC 350/360, and also Regulation S-X. With regard to property, plant and equipment, see the answer to question 1 above. With regard to intangible assets, see "Note 1. Significant Accounting Policies - Other Intangible Assets" and "Note 9 - Fair Value Measurements" in the Form 10-K and "Note 11 - Fair Value Measurements" in our most recent quarterly report on Form 10-Q.

4. Does the Company, under any circumstances, believe that the open market's valuation of the Company's issued securities gives way to a more reliable measure of the fair value of asset value securing those capital structure interests than what the Company's leadership has already disclosed and certified within its Commission-filed balance sheets?

Response: The open market valuation of the Company's issued securities is subject to numerous factors, which the Company is not privy to, does not control, nor attempts to value. Therefore, the Company is not in a position to comment on those factors being more "reliable." Instead, the Company applies the appropriate accounting guidance on how and when to measure assets and liabilities at fair value, which includes ASC 820, ASC 815, ASC 350 and ASC 360, as well as others. See "Note 1 - Significant Accounting Policies" and "Note - 9 Fair Value Measurements" in the Form 10-K and "Note 11 - Fair Value Measurements" in our most recent quarterly report on Form 10-Q.

5. Does the Company believe it has any material contingent liability risk?

Response: The Company has disclosed its material contingent liabilities in the Form 10-K and subsequent quarterly reports on Form 10-Q. Considerations of our material contingent liabilities have been appropriately disclosed in "Item 1A. Risk Factors" and in the following notes to our consolidated financial statements in the Form 10-K:

Note 4 - Warranty Liabilities
Note 9 - Fair Value Measurements
Note 14 - Commitments and Contingencies

6. Does the Company disagree, under any circumstances, that the fair value of an asset is what a potential acquirer is willing to give for financial consideration for the acquisition of that asset (even in the event of a reorganization, where the reorganization value is based on the same fair value of assets in an orderly (post-reorganization) market, as set forth under GAAP ASC 852-10-05-10)? More specifically, does the Company agree that the value of its assets carried on the books of the Company now (outside of a reorganization setting) represents what the value of those assets would be in the event of a reorganization?

Response: In Form 10-K, the Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Also, please note that reorganizational value in a bankruptcy, as defined in ASC 852-10-05-10, differs from many other sections of U.S. GAAP, hence why separate valuation guidance is provided by ASC 852. As the Company has not been, and is not now, in a reorganization or bankruptcy process, the Company has not performed an analysis of the potential value of any assets in a reorganization under ASC 852.

7. Does the Company believe the fair value of any material property, plant and equipment assets to be materially higher than the carrying value of those assets on the books of the Company (those carrying values reported in periodic filings with the Commission)?

Response: The Company reports its property, plant and equipment assets in accordance with U.S. GAAP. As the Company's property, plant and equipment assets are properly recorded at historical cost under U.S. GAAP, which does not require disclosure regarding whether the value of such assets is materially higher than the carrying amount, the Company has not made such disclosure in the Form 10-K or

subsequent quarterly reports on Form 10-Q and is unable to comment further under Reg. FD.

As to Questions 8 through 14, we note that the Board in fulfilling its fiduciary duties to shareholders considers all options to maximize shareholder value. As noted previously, we are happy to discuss these questions with you, as well as any other questions you may have relating to capital structure, capital deployment and strategic initiatives and we have set forth below additional responses to your questions 8 through 14, all subject to Reg. FD.

8. Is there any reason the Company has not entered into a secured revolving credit facility tied to the overall debt-to-capitalization ratio of the Company (whether in addition to the existing credit facility or to replace the existing credit facility and unlock further liquidity)?

Response: The Company is open to discussing your views on this matter, including, but not limited to, your experience with non-investment grade issuers using debt-to-capitalization ratios to unlock additional liquidity.

9. Under what circumstances does the Company see itself as unable/unwilling to repurchase those securities (preferred equity securities maturing 11/30/2026), to strategically deleverage for the benefit of common stockholders? Is there any reason that the Company would not be willing to enter into a trading arrangement under Rule 10(b)5-12 for the purpose of continuously repurchasing those preferred equity securities (that is, while those securities continue to trade materially enough below par value)?

Response: The Company considers a wide range of factors in assessing its near term and long-term capital allocation priorities. More specifically, as disclosed in the Form 10-K and subsequent quarterly reports on Form 10-Q, our business is seasonal, and starting in the third quarter, our cash needs begin to increase, typically reaching a peak in the September – November time frame as we increase inventory levels in advance of the holiday season. If you would like to discuss this topic in more depth, we invite you to enter into a customary confidentiality agreement with us.

10. Along with repurchases of the Company's preferred equity securities, would the Board be opposed to the engagement of a simultaneous repurchase (material, but sensible, and not to the extent of the proposed preferred equity repurchases) of the Company's common equity securities (holding those repurchased securities in treasury reserve, for later possible at-the-market re-sale, if seen as prudent and advantageous based on later possible overvaluations in the open market for those securities)? If opposed, why?

Response: The Company considers a wide range of factors in assessing its near term and long-term capital allocation priorities and has from time-to-time repurchased shares of common stock. As disclosed in the Form 10-K and subsequent quarterly reports on Form 10-Q, the Company's current capital allocation priorities include funding its seasonal working capital needs and executing its Transform and Grow program. If you would like to discuss this topic in more depth, we invite you to enter into a customary confidentiality agreement with us.

11. Why should public investors be confident enough to purchase the Company's stock at such a discount, if the Company itself is unwilling to - on any level - purchase its shares at such a discount to the certified value of equity?

Response: We are not able to comment on investment decisions of any shareholders or potential investors. The Company and its Board are committed to maximizing shareholder value. We would be willing to learn more about your views on this matter.

12. Why should public investors be confident enough to purchase the Company's stock, if its own insiders do not have the confidence to invest even a nickel of their personal funds in the Company's stock? (The stock of insiders retained as a result of grants does not illustrate the same level of confidence in the integrity of the Company's Commission-filed balance sheets as those stock holdings resulting from an insider's open market purchases with their own funds?

Response: We are not able to comment on investment decisions of any shareholders or potential investors. The Company and its Board are committed to maximizing shareholder value. We would be willing to learn more about your views on this matter.

13. As a result of that restructuring, what percentage of Fossil retail locations (locations open as of the last quarter) have produced a net profit over the trailing twelve-month period preceding this letter? Are those stores unprofitable enough to be shuttered as part of the recently-announced "Transform and Grow" initiative?

Response: We have not previously disclosed the net profit of our retail locations that were open as of the most recent Form 10-Q filing. We have noted that as part of the Company's Transform and Grow program, our net store count is expected to decline from the store count as of the most recent Form 10-Q filing as store leases expire.

14. Is the Board open to (and willing to publicly commit to, as a firm indication of dedication to shareholder interests) proactively fielding interest in a possible acquisition of the Company by entities with clear possible synergies?

Response: The Board regularly considers all options to maximize value for shareholders and we welcome input from our shareholders. We would be happy to have a discussion with you and hear your ideas which we will of course consider.

As mentioned in our last letter, our Board and management team are committed to acting in the best interests of all of Fossil's shareholders, and we welcome constructive input and dialogue with our shareholders. Our management team remains available if you would like to meet or schedule a call. We believe we have in good faith answered your questions in writing as you requested.

To enable us to more fully respond to your questions, we are willing to enter into a customary confidentiality agreement with you.

On behalf of Fossil and our board of directors, we thank you for your interest in Fossil Group, Inc.

Sincerely,

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

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

BUXTON HELMSLEY

New York Headquarters
1185 Avenue of the Americas, Floor 3
New York, N.Y. 10036

Mr. Alexander E. Parker
Senior Managing Director
E. alexander.parker@buxtonhelmsley.com
T. +1 (212) 951-1530
F. +1 (212) 641-4349

VIA U.S. REGISTERED MAIL & ELECTRONIC MAIL

October 10, 2023

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

Mr. Sunil Doshi
Chief Financial Officer
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: October 6, 2023 Letter to BHG – Fossil Group Inc. (the "**Company**" or "**Fossil**")

Dear Mr. Doshi and Fossil Board of Directors (the "**Board**"):

The Buxton Helmsley Group, Inc. ("**BHG**" or "**we**") is in receipt of the Company's letter dated October 6, 2023 (the "**October 6 Letter**"). We recognize that the Company has now begun attempting to provide answers to certain questions, though other supposed "answers" do not address the question asked, and appear to be a continued attempt to evade the question. For instance, certain questions were about the Company itself, but your answer related to public investors, not the Company. This is becoming a painstaking process, and we wish to resolve these questions with no more than one additional reply from the Company (it is entirely unnecessary). For that reason, we are going to, wherever possible, provide the below follow-up questions in a way that we expect can and should be responded with an unqualified "yes"/"no". We do not wish to waste any more time (we are concerned that the entirety of the September 27, 2023 letter from the Company, and especially certain responses from the October 6 Letter, could be a continued effort to delay BHG's ability to obtain the information it needs to decide whether any immediate action needs to be

taken). After the Company has provided (appropriate) response to the below follow-up questions, we will then be open to the proposed meeting with management.

With regard to the multiple times the Company states that – in order to answer our questions more fully – a confidentiality agreement would be required, we are not looking for any non-public information (it is not needed to answer the follow-up questions below in an acceptable way – we are not asking about anything apart from this Company and its leadership's beliefs and positions on issues). We therefore do not see it as necessary to enter into a confidentiality agreement, given that it would inherently restrict our trading in the Company's securities (again, we are continuing to accumulate passively, yet swiftly). We are also nearing the Company's next quarterly report, which (we certainly hope) will provide details to aid BHG in deciding the required course of action (likely, provided the below follow-on questions are answered, holding the proposed meeting with management of the Company).

As stated before, while the Company's responses in the October 6 Letter provided much more substance than the nonexistent substance in the Company's September 27, 2023 letter, we do have a few follow-up questions that we need answered. We would not feel comfortable if the Company's responses to these follow-up questions were provided verbally, and we know our fellow shareholders would understand our request for further written answers, especially in light of the Company's previous evasiveness; not to mention, the continued evasiveness that we highlight below. Again, as you will see, we are requesting "yes" and "no" answers, where possible, to make this as clear as possible. **We request (and expect) a response to these few follow-up questions by October 16, 2023:**

1. You only noted (within your answer Item no. 1) that our quoted accounting policy applies to Property, Plant and Equipment (covered under GAAP ASC 360). That quoted accounting policy, however, also inherently applies to indefinite-lived assets (indefinite-lived intangible assets, etc.) covered under GAAP ASC 350. Impairment charges, required under *both* GAAP ASC 350 and 360, are the equivalent of the difference between the carrying value and fair value of the asset (as is further reinforced for obligation of disclosure under Regulation S-X). We, therefore, are not sure why the Company is only stating that accounting policy applies to Property, Plant and Equipment assets (covered under GAAP ASC 360). **Please affirm "Yes", that the Company understands that quoted accounting policy applies beyond Property, Plant and Equipment assets, and is applicable to Company assets governed by the accounting standards of *both* GAAP ASC 350 & 360 (and, inherently, in certain other situations, such as asset categories like inventory, where the net realizable value of inventory is lower than the cost of the inventory, therefore requiring such a loss to be accrued, pursuant to GAAP ASC 330).**
2. Regarding the Company's answer Item no. 2, we have no follow-up question at this time.
3. Regarding the Company's answer Item no. 3, we have no follow-up question at this time.
4. Regarding the Company's answer Item no. 4, you are apparently evading our question with an irrelevant response. Given the evading of the question, we hereby phrase this a couple of different ways, and expect the Company to respond with an unqualified "No" to each of these:
   - **Does 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?**
   - **If the Company's leadership is certifying a (for example) $200mm margin of net asset (equity) value, after disclosure of asset value depreciation/losses (as is required by GAAP and Regulation S-X), would**

the Company ever resort to belief that the open market's valuation of capital structure interests was a more accurate indicator of actual value than what the Company's leadership is certifying within its SEC-filed financial reporting (in light of this leadership's far more intimate knowledge of all public and non-public information material to valuing this Company's capital structure, which the open market does *not* have access to)?

- **In other words, would this Company's leadership ever abandon its certified financial statements, if the open market's valuation materially differs from it?**

Rounding this out: **Please affirm ("Yes") that what is certified within the Company's Commission-filed financial statements are this leadership's best estimates of capital structure value, and that this leadership would have disclosed a different set of financials if they more so believed it to be true.** With respect to this item, we point out that Regulation S-X requires disclosure of all material information relevant to those public investors making educated transactions in the Company's securities (based on such disclosures). Thus, any "disclosure" similar to "actual results could differ from these estimates" (that is a direct quote from the Company's previous Form 10-Q filing) is *not* a "get out of jail free card" for making sudden confessions of materially different beliefs/estimates (which is what we are trying to clear up with this Item no. 4 here). Omitting materially differential beliefs (to entirely undermine what was already certified) is actionable fraud. If that ever happens at this Company, we will be your worst nightmare in the bankruptcy court (BHG exposed Mallinckrodt, and our legal/financial team is far more robust now than even then). **Your answer to the four questions in this numbered item should merely be three times "No" and one time "Yes" (in that order); we immediately take action if your answers differ.**

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 Measurements" as being related to "material contingent liability risk". That note has everything to do with assets, and nothing to do with contingent liability risk. We are fully aware of what Level 1, Level 2, and Level 3 asset valuations are, and how they apply to each of the Company's asset categories. We expect that the Company will not abandon those Level 1, Level 2, and Level 3 asset valuations (and/or abandon the inputs used to derive those asset valuations), except in the event of a hypothetical liquidation. Assets should already be net of any accumulated depreciation (and calculation of that depreciation is directly derived by calculation of fair values via those Level 1, Level 2, and Level 3 valuation models). Therefore, any loss/impairment in asset value must have already been recognized and disclosed. Reorganization valuations are also governed by GAAP ASC 852-10-05-10, and are based on an orderly market. This leaves a hypothetical liquidation to be the only time at which such an orderly market would not exist, and therefore, the only point at which the Company could abandon its already-certified asset valuations (which are already supposed to be based on an orderly market, even prior to a hypothetical reorganization). **Please affirm ("Yes") that the Company understands its asset valuations have nothing to do with contingent liability risk. Please also affirm ("Yes") that the Company has already decided the most accurate valuation inputs known to this leadership for Level 1, Level 2, and Level 3 asset valuations, and that those valuation inputs would have no reason to differ in the event of a reorganization (those would be the same assets for a pre-reorganization entity to benefit from as they would be a post-reorganization entity), apart from the scenario**

where a hypothetical reorganization case was converted into a liquidation. Your answer to this question should, again, be an unqualified "Yes" and "Yes" (we will take immediate action, if not).

6. With regard to the Company's answer Item no. 6, you are – again – apparently deliberately evading answering as to your obligations concerning asset valuations. We highlight GAAP ASC 852-10-30-1 already clearly and specifically highlights that the entry into a reorganization setting does not ordinarily affect the application of GAAP (i.e., a company was already required to record fair value losses, if it believed they existed and would wish to claim them):

> "852-10-30-1: As explained in paragraph 852-10-45-1, entering a reorganization proceeding, although a significant event, **does not ordinarily affect or change the application of generally accepted accounting principles (GAAP) followed by the entity in the preparation of financial statements**." (emphasis added)

The Company would already have been required to charge off all carrying values of assets in excess of the fair values of those assets, even before a hypothetical reorganization setting; if you knew of better valuation inputs pre-reorganization (for use as part of those Level 1, Level 2, and Level 3 asset valuation models), *then you were already required to use those inputs.* You, Mr. Doshi, state that "the Company has not performed an analysis of the potential value of assets in a reorganization under ASC 852". That is very problematic, unless you mean that the value could only be higher than the GAAP net asset value, where – for instance – property, plant and equipment market value gains are not represented in the Company's GAAP financials. There are only two sets of valuations in the setting of a hypothetical bankruptcy proceeding; reorganization and liquidation valuations; one valuation (a reorganization valuation) based on an orderly market for assets, pursuant to GAAP ASC 852-10-05-10, and another (a liquidation valuation) based on a disorderly liquidation. You (Mr. Doshi), have already attested that the Company has charged off any excess carrying values of assets on the books of the Company (values in excess of the fair value of those assets), as part of orderly market conditions. Those assets are the same assets that this Company would be conveying to a hypothetically reorganized entity, and the market for those assets would be as orderly pre-reorganization as it would post-reorganization. Therefore, there is no basis for a difference in the valuation of those assets, except in the event of a disorderly liquidation (once again, you have already chosen the Company's most believed to be accurate inputs for Level 1, Level 2, and Level 3 asset valuations in an orderly market. Again, if the Company knew of better valuation inputs, *it should already have been using them.*

Please affirm "Yes" and "Yes", that the Company understands:

- **"Fresh-start accounting" under GAAP ASC 852 does not allow for (and is not a mechanism for) the Company to delay disclosure of asset value impairment/losses. In other words, the Company's reorganization value should only be immaterially lower than what is certified in the Company's Commission filings, or possibly higher than what is certified in Commission filings, in the instance where – for example – PP&E market value gains would not be accrued under GAAP; and**
- **The Company, on an ongoing basis, has already decided the most accurate inputs for Level 1, Level 2, and Level 3, asset valuations (and for the related valuation models), and that there would be no basis for those valuation inputs to be abandoned or changed in the event of a**

reorganization (those are, again, the same assets that would be retained by a hypothetical post-reorganization entity, in the same orderly market).

Once again, your answers to this Item should be an unqualified "Yes" and "Yes". We will take immediate action if you do not respond exactly as such. There is no reason you should not agree with those statements.

7. In response to Item no. 7, you appear to be, again, evading our questioning. We are asking you a financial-related question that is inherently non-GAAP, and we have already noted that. Non-GAAP financial metrics/statements/disclosures are inherently elective, but – where an honest leadership realizes such non-GAAP disclosures would be materially helpful for investors to have a truer view of a Company's financials – such an honest leadership does/would provide such non-GAAP disclosures. We, therefore, already fully understand that the Company "does not require disclosure regarding whether the value of such assets is materially higher than the carrying amount". Even though the Company is not required to make such disclosure, we ask the Company to do so, if the true, fair value of material appreciable PP&E assets is materially in excess of the value carried on the books of the Company (this does not require any response that would cross the bounds of Regulation FD). **Why would you not make any effort to estimate (just as you constantly are required to, through the already-mentioned Level 1, Level 2, and Level 3 asset valuations) and disclose the true, fair value of any material appreciable property, plant, and equipment assets (likely, real estate assets), if it would give a truer view of financial position of this Company to current and prospective investors (including potential lenders who could then see there is possibly more asset value to securely lend against)? Please fully explain. Do shareholders need to submit (and, if required, litigate) books and record requests related to the property, plant, and equipment assets of this Company in order to obtain such transparency as to possible "hidden" value (such books and records requests would certainly be more expensive than simply appraising the most material appreciable PP&E assets of this Company)?** The Company is fully aware of any appreciable assets of the Company (where "hidden" value may lie), but you are of the position that it is okay your current and prospective investors be left in the dark as to that knowledge? If the Company's Property, Plant, and Equipment assets had a fair value materially higher than was allowed under GAAP financial reporting, then the Company would – again – surely also be viewed in a better light by the fixed income (and also equity) markets (both with regard to the Company's present debt issues, and also with regard to prospective investors for possibly contemplated debt refinancings, etc.). Investors do not know the full truth of this Company's financials until you disclose it, and it does not bode well when you appear to be possibly holding back positive facts about the circumstances of this Company's financials, only because you claim you are under no obligation to disclose them. You need to really think about how your shareholders would view the Company's answer and our reply here.
8. Regarding the Company's answer to Item no. 8, BHG's personal "experience with non-investment grade issuers using debt-to-capitalization ratios to unlock additional liquidity" is referred to. To be very blunt, *even Mallinckrodt plc.* was able to secure revolving credit facilities that provided for borrowing against ~85% of Mallinckrodt's debt-to-capitalization ratio. They *also* were not an investment-grade issuer. They were able to obtain that borrowing power/facility, even despite Mallinckrodt's asset base primarily consisting of *intangible* assets (that, after all, turned out to be certified at apparently fraudulent valuations, in violation of GAAP and Regulation S-X – even despite Deloitte's "assurance"), versus this Company's largely *tangible* asset base. **If**

this Company is reporting all asset value depreciation/losses (as is required by GAAP and Regulation S-X), then – for the appropriate interest rate – it is inconceivable that this Company would not have a lender willing to lend securely against such a tangible asset base). This Company's asset base is far more tangible than Mallinckrodt, and therefore inherently much less risky to lend against (intangible assets inherently have a far less liquid and reliable market). There are numerous ways to structure such a proposed optimized credit facility, including with respect to managing interest rates. If you ask us to find you the right investment bankers, then we will assume we need to refresh the Board and that you are not up to the job. **We will say, in light of the Company giving the answers that you have (and making it seem that you may be hiding positive circumstances of this Company, with your citations of GAAP not requiring you to disclose such positive circumstances), it is understandable why you might lack willing lenders, but that is only a leadership issue (not an issue as to the Company itself).**

9. With regard to answer Item no. 9, we are going to wait to see if the Company actually begins taking material action with regard to this issue. **We will say that if the Company repurchased an amount of its securities in the last days of the third quarter, then we expect the Company to – within its earnings release and on its investor call – highlight that it intends to *continue* repurchasing those securities at present levels. BHG is well aware the Company could have made a small amount of repurchases in those last days of quarter three ("lip service" to afford the liberty of saying you took "action" on our concerns), with no real intent to continue thereafter.** Investors will not be as likely to sell those securities, when they merely know (from such a public statement via the Company's earnings release, and on its quarterly earnings call) the Company could opportunistically be the counterparty to the trade at gross under-valuations of capital interests in the open market. Up until now, investors would be *shocked* if the Company was opportunistically repurchasing those securities at such gross under-valuations, and that is an abysmal level of investor confidence that we are going to give this leadership a very short period of time to fix. Shareholder value has been consistently destroyed (up until now) under this present leadership due to its apparent inability to instill investor confidence through not only a lack of words, but actions.
10. With regard to answer Item no. 10, we are – again – simply going to see if the Company actually begins materially taking action with regard to this issue. **In line with our previous numbered Item, if the Company repurchased an amount of its securities in the last days of the third quarter, then we expect the Company to – within its earnings release and on its investor call – highlight that it intends to continue materially repurchasing those securities. The Company also has the opportunity to disclose any material repurchasing progress in between quarterly financial disclosures, within Form 8-K filings (as a Regulation FD disclosure).**
11. We are well aware that the Company has no actual access to the minds of public market participants apart from insiders and the Company itself. We asked about what **the Company** thinks, in response to our question. **This question only requires mere formulated beliefs of the Company to answer: Why should public investors be confident enough to purchase the Company's common stock (at less than the price of the Company's estimated near-term operating margin optimization enhancements, with no credit toward forward earnings), when the Company apparently finds such a valuation apparently unappealing itself (and is failing to repurchase the Company's stock *on any level*)?** Once again, the market capitalization of the Company's common stock is now equivalent to (actually, lower than) the mere estimated operating margin optimization as a result of the Company's recently-announced "Transform and Grow" initiative. This Board

and management need to start instilling investor confidence through actions, as you are failing to do so on any level; providing *zero* confidence through actions (and words). Again, take a look at the Company's stock price compared to this leadership's certified value; it is utterly deplorable.

12. With regard to answer Item no. 12, we are not talking about "any shareholders". We are asking about those prospective investors who, by far, most clearly understand this Company's financials and prospects; its directors and officers. This leadership can absolutely answer this question, and there is no violation of Regulation FD to answer: **Why, if this Company is disclosing the truth of its asset values (in compliance with GAAP and Regulation S-X) and financial condition, would this Company's Board and non-director insiders not – *on any level at all* (let alone, a material level) – be purchasing the Company's common stock, in light of the Company's common stock trading at a ~70% discount to net asset equity value? Does this Board not believe in this Company's balance sheet, and/or their ability to successfully direct this Company for the financial benefit of shareholders? Or, are they simply aware of concerning accounting philosophies of this leadership (that are the reason or the deficient and evasive responses thus far from Mr. Doshi)?** We, again, expect that, after the Company's insider trading "blackout" period (post-earnings release), this Board will immediately make *material* open market purchases of common stock to signify confidence to the public markets as to this Company's balance sheet and prospects (and this Board's ability to effectively lead this enterprise). If this Board is not confident enough itself to do so, then that will prove why you do not belong at the Board table, and why this Board needs to be sizably replaced by shareholders, and as soon as possible. We will not wait until the upcoming annual meeting to propose director replacements if the need for immediate change becomes so obvious.
13. Regarding the Company's answer Item no. 13, we have no follow-up question at this time.
14. With regard to Item no. 14, we have already given ideas which should be considered and explored. Merely mentioning to the public markets that the Company remains open to welcome such possible acquisition offers (and will not shun possibly unsolicited offers), in the midst of continued growth (but with such economic uncertainty, on a global level), would provide confidence to your investors. This Board has, to date, failed to make any such position clear (and provide any such assurance) to the public markets; that is certainly one reason as to why this Company's stock has sunk to **~30% of its certified net asset equity value** (we cannot reiterate that point enough). BHG has already provided the Company with multiple ideas that would maximize value beyond the Company's current net asset value, in light of the strategic and cross-selling synergies of those propositions alone. **We expect the Board to timely act on our propositions, along with immediately, strategically enhancing the position of the Company's balance sheet. Once again, *do not* ask us to bring you potential bidders – *you* are the leaders of this Company and if you are not willing to even merely publicize openness to bids for this Company at an appropriate juncture, then you need to be replaced (you are then, *very clearly*, not up to the job).**

We also wish to quickly clear up: Mr. Doshi states that BHG "[has] demonstrated [its] unwillingness to speak or meet with us to discuss your questions". That statement is categorically false, and we would encourage the Company to stop making such false statements. Any such attempts to grapple control of this situation by means of false statements will not assist (and will harm) this Board if we are required to pursue removal/replacement of directors via the written consent of shareholders. BHG has been "speaking" with all addressed parties (in writing) since September 15, 2023, and it was the fault of no one but the Company and Mr. Doshi that this Board somehow thought it would build enough

trust to hold the proposed video conference with Mr. Doshi, by him sending the Company's "response" dated September 27, 2023 (containing no answers to BHG's questions, but claiming to have answered every one of them). Oral discussions are off-the-record, and therefore require a significant amount of trust. Again (as can easily be gleaned by our follow-up questions), some of BHG's initial questions (from nearly a month ago) are still being evaded, despite them not being complicated (again, certain of the Company's responses refer to entirely different subjects than BHG was even asking about). Given that we cannot believe the Company is so unable to comprehend our questions, we can only draw the conclusion that your irrelevant answers are intentional. Accordingly, the Company's proposed verbal conversation does not yet appear to be a trustworthy means for obtaining our requested answers. We look forward to holding the video conference call, after the above follow-on questions are answered in writing.

We will also clarify: Mr. Doshi stated he is "confused" by BHG's "allegations". BHG has not made any allegations regarding this Company's financials; we are conducting an inquiry (that our fellow shareholders would certainly appreciate) to ensure this Company is not engaging in, and does not have apparent propensity to engage in, shifty accounting or accounting fraud, as we have uncovered at past companies. Mr. Doshi also speaks to "inferences" by BHG. We have used past companies where we uncovered actionable misconduct as *examples* in our letters (for instance, why BHG places *zero* weight in the fact that the Company's financial statements are audited by Deloitte). We are, however, through the questioning here, seeking to ensure that the Company does not have apparent propensity to be engaging in such misconduct.

We, to reaffirm, expect the Company provide its responses to these follow-on questions by October 16, 2023 (particularly, given, that there are certain critical accounting-related questions which remain pending). We must otherwise assume the worst and take immediate action, as we have previously stated. None of these follow-up questions immediately require a confidentiality agreement with the Company; we are merely asking about the Company and its leadership's beliefs/positions on issues. We are open to a possible confidentiality agreement, after we have largely accumulated our position, and after we have some clarity from the Company's upcoming earnings release, quarterly report filing, and quarterly investor call.

Lastly, we reaffirm (ahead of the Company's upcoming quarterly report) that if the Company begins making any materially negative financial disclosures, only suddenly after BHG's questioning to ensure that this Company's leadership has been disclosing the truth of this Company's financial condition, that we will immediately begin to work toward sizably replacing this Board (through the written consent of shareholders), to assure that this Company is being properly governed. As we have said multiple times, we will not sit idle, and will move with force, if required – you can count on it.

For the avoidance of doubt, we have not yet spoken with any other Fossil security holders and, if we should see the need to, we will – of course – make all necessary regulatory filings.

Very Truly Yours,

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

Cc: Mr. Eleazer Klein
Schulte Roth + Zabel LLP
919 Third Avenue
New York, NY 10022

Mr. Kosta N. Kartsotis
Chief Executive Officer
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080

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,

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

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

BUXTON HELMSLEY

New York Headquarters
1185 Avenue of the Americas, Floor 3
New York, N.Y. 10036

Mr. Alexander E. Parker
Senior Managing Director
E. alexander.parker@buxtonhelmsley.com
T. +1 (212) 951-1530
F. +1 (212) 641-4349

VIA U.S. REGISTERED MAIL & ELECTRONIC MAIL

October 18, 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: October 16, 2023, Letter to Buxton Helmsley – Fossil Group Inc. (the "**Company**" or "**Fossil**")

Dear Fossil Board of Directors (the "**Board**"):

The Buxton Helmsley Group, Inc. ("**BHG**" or "**we**") addresses the Board, given our receipt of the Company's October 16, 2023, letter (the "**October 16 Letter**").

Very simply, BHG needs to be done wasting time here. Mr. Doshi, and the Board, apparently is:

- Not even willing to minimally affirm his understanding that accrual of observed asset value losses may not be delayed (very "triggering events" requiring disclosure of such losses under GAAP, and Regulation S-X), while revenue is being booked in real-time (particularly, that "fresh-start accounting" guidance under GAAP ASC 852 is *not* a mechanism for belated admissions of supposedly believed asset value losses) (*See* Item No. 6 from the October 16 Letter and compare to what the Company was asked to respond to);
- Not even willing to minimally pledge he will stick by the Company's financial statements which he signs off on (*See* Item No. 4 from the October 16 Letter and compare to what the Company was asked to respond to);
- Not even willing to rule out the possibility that he also may later entirely abandon and undermine the Company's financial statements with a possible future claim that he believes open market valuations have more validity than the Company's financial statements that bear his signatures, which were already supposed to represent his utmost believed financial figures (again, if he knew of more accurate figures, then he should have been disclosing them) (*See* Item No. 4 from the October 16 Letter and compare to what the Company was asked to respond to); and

- The list just goes on.

In our view, the Company would have been better off not responding at all, rather than sending the October 16 Letter. You were on a better track with the second response, and then sent yourselves right back to square one; it is mind-boggling. Unless Mr. Doshi wants to admit to purposely evading questions all over again (with the October 16 Letter), it would appear that his ineptitude includes his apparent inability to identify a question on a sheet of paper. Mr. Doshi stated that items 8-14 did not contain questions. Mr. Doshi is then apparently unable to merely identify a question mark at the end of a sentence (multiple questions throughout items 8-14), yet this Board somehow believes he is competent enough to prepare this Company's technical financial statements? Perhaps, those sheets of paper (the Company's financial statements) are then missing or unwittingly including not question marks, but zeros. You must be joking.

The existence of such flim-flam accounting philosophies/beliefs will undoubtedly negatively (and very materially, as the knowledge of its existence spreads throughout public market participants) affect the confidence of this Company's investors (and all prospective investors), and therefore the market valuation of this Company. The very possible devastating undermining of financial statements that we have endlessly tried to rule out here is exactly what we have seen in other cases of accounting and securities fraud (Mallinckrodt is certainly one example) we have actively investigated and exposed. Mr. Doshi and, by extension, this Board (due to what appears to be a lack of disciplined oversight) did not rule out the possibilities of shifty and improper accounting practices we are proactively inquiring about (to ensure they do not have the potential of repeating at this Company, after having seen them before, even at other Deloitte-audited entities), and instead entirely affirmed those grave dangers exist to possibly harm this Company's investors under this present leadership.

Very simply, if this leadership sees validity in materially differential accounting philosophy/beliefs (as was made clear in the October 16 Letter, the Company wishes to keep the door open to possibly suddenly abandon and undermine its Commission-filed financial statements with entirely different accounting philosophies and statements of financials at a later date, never disclosed before), then *why in the world* are you operating on your current accounting philosophy/beliefs? Given the Company's responses so far, we believe this Company is on a track that could absolutely lead to shareholders being left with an empty bag due to these unstable accounting beliefs and philosophies, and the only way to avoid such disaster is to materially refresh this Board with individuals who are able to actually demonstrate the integrity expected by public investors. The beginning of this story has been told, and shareholders will get to choose whether they wish to rule out the possibility of being devastated as a result of the present – again – flim-flam accounting philosophy/beliefs; that will be an easy choice. This Company's public investors need a leadership that they confidently know will stand by the Company's financial disclosures.

Given the October 16 Letter and how abundantly clear the risk and danger is that this Company's investors face with this present Board (the capital allocation issues are the least of our worries now), the need for a refreshed Board no longer hinges on the Company's upcoming earnings results; that need is now very clearly absolute. Even if the Company should soon release positive results (with a drastically improved tone that actually begins to instill a level of confidence in investors) and/or has possibly begun to take certain positive actions that BHG may have already suggested, this Company's investors still face the now-evidenced risk of this leadership's provably unstable accounting beliefs/philosophies and demonstrated propensity to possibly hoodwink the Company's public investors into holding

an empty bag (just as we have seen before). We have more than sufficient experience with apparent accounting and securities fraud at public companies (and enough examples to give), such that shareholders will easily understand they have everything to lose if they do not approve our recommended Board replacements.

We are going to assume the need to proceed on the basis that this Board is unwilling to voluntarily reconstitute itself to include those director nominees to shortly be set forth by BHG. If this Board *is* willing to voluntarily reconstitute, then please do advise BHG immediately (we would expect such a simple notice by October 23rd, 2023). A shareholder solicitation or similar action by BHG for the forceful replacement of certain Board members will only be required if this Board wants to go down that route (which would further this Board and management's pattern of unnecessary and avoidable destruction of shareholder value).

If the Board should wish to meet (on the front of voluntarily reconstituting the Board), then BHG would be willing to meet to discuss this. We would expect such a meeting to take place by October 31st, 2023, and for such negotiations to be complete promptly thereafter. Until we have agreed on a path forward, BHG will not cease its preparations to proceed adversarially; the present danger is far too great. Mr. Doshi may certainly attend this possible meeting if he wishes to make any statements, but – if such statements are simply an attempt to respond to BHG's questions which he has proven his intent to evade thus far (now, him claiming he cannot even see them on the paper) – where any such further explanations are not in writing, we will then appropriately credit them with *zero* weight and/or belief. We, of course, will listen as much as he is willing to speak, however. Absent that meeting with BHG (for purposes of voluntarily reconstituting this Board), this will all shortly spill out into the public eye, and that will not bode well for the reputations of this Board and management.

We look forward to hearing from the Board, so that all parties can avoid BHG's need to take action to implement change at this Company that we have no doubt shareholders will approve of.

Very Truly Yours,

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

Cc: Mr. Eleazer Klein
Schulte Roth + Zabel LLP
919 Third Avenue
New York, NY 10022

BUXTON HELMSLEY

New York Headquarters
1185 Avenue of the Americas, Floor 3
New York, N.Y. 10036

Mr. Alexander E. Parker
Senior Managing Director
E. alexander.parker@buxtonhelmsley.com
T. +1 (212) 951-1530
F. +1 (212) 641-4349

VIA U.S. REGISTERED MAIL & ELECTRONIC MAIL

November 28, 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: Fossil Group Inc. (the "**Company**" or "**Fossil**")

Dear Fossil Board of Directors (the "**Board**"):

The Buxton Helmsley Group, Inc. ("**BHG**" or "**we**") is writing to you in light of Fossil's recent Form 10-Q filing (the "**10-Q**") with the U.S. Securities and Exchange Commission (the "**SEC**") and in response to Mr. Hyne's letter to BHG, dated October 26, 2023 (the "**October 26 Letter**").

As you know, the Company published bylaw amendments in the 10-Q. Though we respect that some of the added provisions in the bylaws conform (albeit unnecessarily) the bylaws to recent updates in proxy regulations, certain other provisions appear wholly unnecessary and suspiciously defensive and entrenching. These unnecessary bylaw amendments now make us suspicious that the October 26 Letter was merely a disingenuous attempt to mislead BHG into possibly believing that the Board might be engaged in good-faith contemplations/discussions while it plotted to entrench itself with new defensive mechanisms.

On a somewhat related note, we find it very telling that the Company was apparently compelled to negotiate a severance agreement with Mr. Doshi (as exhibited in the 10-Q), as though Mr. Doshi is entirely aware he is likely about to be ousted after soon being dragged through the mud for evasive responses to our inquiries. Mr. Doshi's severance benefits, just like the prior corporate executives who were exposed by BHG, will not save him (or this Board) from the reputational self-destruction that will occur if the investing public sees his answers and apparent inability to refrain from what we consider to be shifty accounting practices that serve to destroy the integrity of any company's financial statements. Mr. Doshi would be wise to resign in the face of his so-called "answers." We have yet to discern whether Mr. Doshi is corrupt or has been subjected to corrupted influences.

We will also point out that the Company's recent earnings call was utterly pathetic and very telling with respect to management's apparent lack of confidence and candor toward its investors. Rather than allowing investors to obtain clarity by being able to pose questions to management on the earnings call, management apparently saw it to be in their selfish best interest to shield themselves from investors by having their investor

relations consultant pose "surprise" questions, in place of the Company's investors posing real questions of concern (and getting real, unscripted answers). If you believe your investors were actually duped into thinking that "Q&A" session was anything less than scripted, perhaps an ultimate level of delusion is truly the reality investors face here with this Board and management.

This Board and management's disingenuous *modus operandi* has become crystal clear, as well: It seems clear to us that the Company is falling into a concerning pattern: When an investor asks a question (behind closed doors) that this Board and management do not wish to answer, they endlessly/conveniently cite Regulation FD to avoid answering, and then refuse to take questions from investors when they are no longer able to "pull" the "Regulation FD card," so as to not fatally embarrass themselves in front of investors. It is no wonder why this Company has *zero* sell-side analysts actively covering its stock (quite indicative of the "success" of your investor relation consultant's strategy).

We think this carelessness just reinforces why shareholders will take our side in any future proxy campaign to refresh the Board and target poor management practices.

Ahead of BHG's imminent address to the Company's investors, we request that the Company provide copies of all communications between BHG and the Company to its auditors at Deloitte & Touche.

Lastly, while BHG will not decline a meeting with the Company, the minimal trust we had toward this Board and management has been severed even further (when thought to not even be possible), given your recent actions. We reaffirm our readiness to explore all potential avenues for us to protect shareholder value, including, as necessary, litigation. You all clearly are blind as to how much your actions, lack of actions, and words (far beyond what we have discussed with you – we will not give away all our cards, of course) are already materially building the case for what very well could be an accounting and securities fraud scheme already occurring at this Company.

Very Truly Yours,

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

Cc: Mr. Eleazer Klein
Schulte Roth + Zabel LLP
919 Third Avenue
New York, NY 10022

Mr. Sunil Doshi
Chief Financial Officer
Fossil Group, Inc.
901 South Central Expressway
Dallas, TX 75080