

GNC HOLDINGS, INC.
Form DEF 14A
April 11, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

GNC HOLDINGS, INC.

(Name of Registrant as Specified In Its Charter)

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(1) Title of each class of securities to which transaction applies

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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300 Sixth Avenue

Pittsburgh, Pennsylvania 15222

April 11, 2013

Dear Stockholder,

You are cordially invited to attend the Annual Meeting of Stockholders of GNC Holdings, Inc. (the Company) to be held on Thursday, May 23, 2013 at 8:00 A.M. Eastern Time at the Omni William Penn Hotel, 530 William Penn Place, Pittsburgh, Pennsylvania 15219.

The agenda for the Annual Meeting includes:

- The election of three Class II directors for three-year terms expiring in 2016 (or, if Proposal 4 relating to the declassification of our board of directors is approved by the stockholders at the annual meeting, until our 2014 annual meeting) (Proposal 1);
- The adoption of amendments to our amended and restated certificate of incorporation to:
 - eliminate the authorized Class B common stock, par value of \$0.001 per share, and provisions related thereto (Proposal 2);
 - set the range in size of our board of directors to be not less than seven nor more than fifteen directors (Proposal 3);
 - declassify our board of directors and provide for annual election of all directors (Proposal 4);
 - delete various provisions related to the Company's former Sponsors (Proposal 5); and
 - permit our stockholders to take action by written consent (Proposal 6);

- The ratification of PricewaterhouseCoopers LLP as independent auditors for our 2013 fiscal year (Proposal 7); and
- An advisory vote to approve the compensation paid to our named executive officers described herein (commonly known as a say-on-pay proposal) (Proposal 8).

Our Board of Directors recommends that you vote FOR all of the above Proposals.

The proposed amendments to our amended and restated certificate of incorporation are set forth in Exhibits A, B, C, D and E of the accompanying proxy statement, and the descriptions thereof are qualified in their entirety by such Exhibits.

Your interest in the Company and your vote are very important to us. The enclosed proxy materials contain detailed information regarding the business that will be considered at the Annual Meeting. We encourage you to read the proxy materials and vote your shares as soon as possible. You may vote your proxy via the Internet or telephone or, if you received a paper copy of the proxy materials, by mail by completing and returning the proxy card.

On behalf of the Company, I would like to express our appreciation for your ongoing interest in GNC.

Very truly yours,

Joseph Fortunato
Chairman of the Board, President
and Chief Executive Officer

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GNC HOLDINGS, INC.

NOTICE OF

2013 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 23, 2013

DATE AND TIME	8:00 a.m. on Thursday, May 23, 2013
PLACE	Omni William Penn Hotel 530 William Penn Place Pittsburgh, Pennsylvania 15219
ITEMS OF BUSINESS	<p>(1) To elect three Class II directors for three-year terms expiring at the 2016 annual meeting of stockholders (or, if Proposal 4 relating to the declassification of our board of directors is approved by the stockholders, until the 2014 annual meeting of stockholders) once their respective successors have been duly elected and qualified or until their earlier resignation or removal (Proposal 1).</p> <p>(2) To adopt amendments (Certificate Amendments) to our amended and restated certificate of incorporation to:</p> <ul style="list-style-type: none">• eliminate the authorized Class B common stock, par value of \$0.001 per share, and provisions related thereto (Proposal 2);• set the range in size of our board of directors to be not less than seven nor more than fifteen directors (Proposal 3);• declassify our board of directors and provide for annual election of all directors (Proposal 4);• delete various provisions related to the Company's former Sponsors (Proposal 5); and• permit our stockholders to take action by written consent (Proposal 6). <p>(3) To ratify the appointment of PricewaterhouseCoopers LLP as independent auditors for our 2013 fiscal year (Proposal 7).</p> <p>(4) To approve, by non-binding vote, the compensation paid to our named executive officers in 2012, as disclosed in these proxy materials (commonly known as a say-on-pay proposal) (Proposal 8).</p>

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(5) To transact such other business as may properly be brought before the Annual Meeting or any adjournment or postponement thereof.

RECORD DATE

You are entitled to vote only if you were a stockholder of record at the close of business on March 28, 2013.

PROXY VOTING

It is important that your shares be represented and voted at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, we urge you to vote online at www.proxyvote.com or via telephone by calling 1-800-690-6903, or to complete and return a proxy card (no postage is required).

REQUIRED VOTE

The affirmative vote:

- of a majority of the votes cast by our stockholders in person or represented by proxy is required to approve Proposal 1 (the election of directors), Proposal 7 (the ratification of PwC as independent auditors for our 2013 fiscal year) and Proposal 8 (the say-on-pay proposal);
 - of a majority of the votes entitled to be cast is required to approve Proposal 2 (the Certificate Amendment eliminating Class B common stock) and Proposal 6 (the Certificate Amendment permitting stockholder action by written consent); and
 - of two-thirds of the votes entitled to be cast is required to approve Proposal 3 (the Certificate Amendment setting the new range in size of our Board), Proposal 4 (the
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Certificate Amendment providing for annual election of directors) and Proposal 5 (the Certificate Amendment deleting references to the Company's former Sponsors).

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 23, 2013:

As permitted by rules adopted by the Securities and Exchange Commission, rather than mailing a full paper set of these proxy materials, we are mailing to many of our stockholders only a notice of internet availability of proxy materials containing instructions on how to access these proxy materials and submit their respective proxy votes online. **This proxy statement, our 2012 Annual Report to stockholders and the proxy card are available at www.proxyvote.com.** You will need your notice of internet availability or proxy card to access these proxy materials.

April 11, 2013

Gerald J. Stubenhofer, Jr.
Senior Vice President, Chief Legal Officer
and Secretary

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300 Sixth Avenue

Pittsburgh, Pennsylvania 15222

PROXY STATEMENT

2013 ANNUAL MEETING OF STOCKHOLDERS

May 23, 2013

The Board of Directors (the **Board**) of GNC Holdings, Inc., a Delaware corporation (the **Company**, **we**, **us** or **our**), has prepared this document to solicit your proxy to vote upon certain matters at our 2013 annual meeting of stockholders (the **Annual Meeting**).

These proxy materials contain information regarding the Annual Meeting, to be held on May 23, 2013, beginning at 8:00 a.m. Eastern Time at the Omni William Penn Hotel, 530 William Penn Place, Pittsburgh, Pennsylvania 15219, and at any adjournment or postponement thereof. As permitted by the rules adopted by the Securities and Exchange Commission (the **SEC**), rather than mailing a full paper set of these proxy materials, we are mailing to many of our stockholders only a notice of internet availability of proxy materials (the **Notice**) containing instructions on how to access and review these proxy materials and submit their respective proxy votes online. If you receive the Notice and would like to receive a paper copy of these proxy materials, you should follow the instructions for requesting such materials located at www.proxyvote.com.

QUESTIONS ABOUT THE ANNUAL MEETING AND THESE PROXY MATERIALS

It is anticipated that we will begin mailing this proxy statement, the proxy card, our 2012 Annual Report to Stockholders (the **Annual Report**) and the Notice, and that these proxy materials will first be made available online to our stockholders, on or about April 11, 2013. The information regarding stock ownership and other matters in this Proxy Statement is as of March 28, 2013 (the **Record Date**), unless otherwise indicated.

What may I vote on?

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You may vote on the following proposals:

- the election of three Class II directors for three-year terms expiring at the 2016 annual meeting of stockholders (or, if Proposal 4 relating to the declassification of our board of directors is approved by the stockholders at the annual meeting, until our 2014 annual meeting of stockholders (the 2014 Annual Meeting)) once their respective successors have been duly elected and qualified, or their earlier resignation or removal (Proposal 1);
- the approval of amendments to our amended and restated certificate of incorporation to:
- eliminate our authorized Class B common stock and provisions related thereto (Proposal 2);
- set the range in size of our board of directors to be not less than seven nor more than fifteen directors (Proposal 3);
- declassify our board of directors and provide for annual election of all our directors (Proposal 4);
- delete various provisions related to our former Sponsors (Proposal 5); and
- permit our stockholders to take action by written consent (Proposal 6);
- the ratification of the appointment of PricewaterhouseCoopers LLP (PwC) as independent auditors for our 2013 fiscal year (Proposal 7); and
- the approval, by non-binding vote, of the compensation paid to our named executive officers in 2012, as disclosed in these proxy materials (commonly known as a say-on-pay proposal) (Proposal 8).

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF THREE CLASS II DIRECTORS (PROPOSAL 1), FOR THE ADOPTION OF THE AMENDMENTS TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION (PROPOSALS 2 THROUGH 6), FOR THE RATIFICATION OF THE APPOINTMENT OF PWC AS THE INDEPENDENT AUDITORS (PROPOSAL 7) AND FOR THE APPROVAL, ON AN ADVISORY BASIS, OF COMPENSATION PAID TO THE NAMED EXECUTIVE OFFICERS IN 2012 (SAY-ON-PAY) (PROPOSAL 8).

Who may vote?

Stockholders of record of our Class A common stock, par value \$0.001 per share (Common Stock), at the close of business on the

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Record Date are entitled to receive the Notice and these proxy materials and to vote their respective shares at the Annual Meeting. Each share of Common Stock is entitled to one vote on each matter that is properly brought before the Annual Meeting. As of the Record Date, there were 98,436,805 shares of Common Stock issued and outstanding.

How do I vote?

We encourage you to vote your shares via the Internet. How you vote will depend on how you hold your shares of Common Stock.

Stockholders of Record

If your Common Stock is registered directly in your name with our transfer agent, American Stock, Transfer & Trust Company, LLC, you are considered a stockholder of record with respect to those shares, and a full paper set of these proxy materials is being sent directly to you. As a stockholder of record, you have the right to vote by proxy.

You may vote by proxy in any of the following three ways:

Internet. Go to **www.proxyvote.com** to use the Internet to transmit your voting instructions and for electronic delivery of information. Have your proxy card in hand when you access the website.

Phone. Call **1-800-690-6903** using any touch-tone telephone to transmit your voting instructions. Have your proxy card in hand when you call.

Mail. Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided, or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Voting by any of these methods will not affect your right to attend the Annual Meeting and vote in person. However, for those who will not be voting in person at the Annual Meeting, your final voting instructions must be received by no later than 11:59 p.m. Eastern Time on May 22, 2013.

Beneficial Owners

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Most of our stockholders hold their shares through a stockbroker, bank or other nominee, rather than directly in their own names. If you hold your shares in one of these ways, you are considered the beneficial owner of shares held in street name, and the Notice is being forwarded to you by your broker, bank or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or nominee on how to vote. Your broker, bank or nominee has enclosed a voting instruction form for you to use in directing the broker, bank or nominee on how to vote your shares. If you hold your shares through a New York Stock Exchange (NYSE) member brokerage firm, such member brokerage firm has the discretion to vote shares it holds on your behalf with respect to Proposal 7 (the ratification of PwC as independent auditors for our 2013 fiscal year), but not with respect to Proposal 1 (the election of three Class II directors), Proposals 2 through 6 (the Certificate Amendments) or Proposal 8 (the say-on-pay proposal), as more fully described under What is a broker non-vote ? below.

Can I change my vote?

Yes. If you are the stockholder of record, you may revoke your proxy before it is exercised by doing any of the following:

- sending a letter to us stating that your proxy is revoked;
- signing a new proxy and sending it to us; or
- attending the Annual Meeting and voting by ballot.

Beneficial owners should contact their broker, bank or nominee for instructions on changing their votes.

How many votes must be present to hold the Annual Meeting?

A quorum is necessary to hold the Annual Meeting. A quorum is a majority of the votes entitled to be cast by the stockholders entitled to vote at the Annual Meeting. They may be present at the Annual Meeting or represented by proxy. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum.

How many votes are needed to approve the proposals?

At the Annual Meeting,

- a FOR vote by a majority of votes cast is required for Proposal 1 (the election of directors), Proposal 7 (the ratification of PwC

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as independent auditors for our 2013 fiscal year) and Proposal 8 (the say-on-pay proposal);

- a FOR vote from at least a majority of the votes entitled to be cast is required for Proposal 2 (the Certificate Amendment eliminating Class B common stock) and Proposal 6 (the Certificate Amendment permitting stockholder action by written consent); and
- a FOR vote from at least two-thirds of the votes entitled to be cast is required for Proposal 3 (the Certificate Amendment setting the new range in size of our Board), Proposal 4 (the Certificate Amendment providing for annual election of directors) and Proposal 5 (the Certificate Amendment deleting references to the Company's former Sponsors).

A FOR vote by a majority of votes cast means that the number of shares voted FOR exceeds the number of shares voted AGAINST.

What is an abstention?

An abstention is a properly signed proxy card that is marked abstain. Abstentions do not constitute votes FOR or votes AGAINST. However, since the approval of Proposal 2 and Proposal 6 requires the majority of the votes entitled to be cast and the approval of Proposal 3, Proposal 4 and Proposal 5 requires at least two-thirds of the votes entitled to be cast, an abstention from voting on the Certificate Amendments will have the same effect as a vote against the Certificate Amendments.

What is a broker non-vote?

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received timely instructions from the beneficial owner. Under current applicable rules, Proposal 7 (the ratification of PwC as independent auditors for our 2013 fiscal year) is a discretionary item upon which NYSE member brokerage firms that hold shares as nominee may vote on behalf of the beneficial owners if such beneficial owners have not furnished voting instructions by the tenth day before the Annual Meeting.

However, NYSE member brokerage firms that hold shares as a nominee may not vote on behalf of the beneficial owners on the following proposals unless you provide voting instructions: Proposal 1 (the election of three Class II directors) Proposals 2 through 6 (the adoption of the Certificate Amendments) and Proposal 8 (the say-on-pay proposal). Therefore, if a NYSE member brokerage firm holds your Common Stock as a nominee, please instruct your broker how to vote your Common Stock on each of these proposals. This will ensure that your shares are counted with respect to each of these proposals. A broker non-vote will have the same effect as a vote against the Certificate Amendments.

Will any other matters be acted on at the Annual Meeting?

If any other matters are properly presented at the Annual Meeting or any adjournment or postponement thereof, the persons named in the proxy will have discretion to vote on those matters. As of January 18, 2013, the date by which any proposal for consideration at the Annual Meeting submitted by a stockholder must have been received by us to be presented at the Annual Meeting, and as of the date of these proxy materials, we did not know of any other matters to be presented at the Annual Meeting.

Who pays for this proxy solicitation?

We will pay the expenses of soliciting proxies. In addition to solicitation by mail, proxies may be solicited in person or by telephone or other means by our directors or associates. We will reimburse brokerage firms and other nominees, custodians and fiduciaries for costs incurred by them in mailing these proxy materials to the beneficial owners of Common Stock held of record by such persons.

Whom should I call with other questions?

If you have additional questions about these proxy materials or the Annual Meeting, please contact: GNC Holdings, Inc., 300 Sixth Avenue, Pittsburgh, Pennsylvania, 15222, Attention: Gerald J. Stubenhofer, Jr., Telephone: (412) 288-4600.

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ELECTION OF THREE CLASS II DIRECTORS

(PROPOSAL 1)

Board Structure and the Nominees

The Board is currently composed of ten directors. Pursuant to our amended and restated certificate of incorporation, the Board is currently divided into three classes. The members of each class currently serve for staggered, three-year terms.

Upon the expiration of the term of a class of directors, the Nominating and Corporate Governance Committee of the Board (the Nominating Committee) recommends to the Board for its approval the slate of director nominees to be nominated for election.

In connection with the Annual Meeting, the Board, upon the recommendation of the Nominating Committee, has nominated each of Philip E. Mallott, C. Scott O Hara and Richard J. Wallace (collectively, the Nominees) for election as a Class II director, for a three-year term expiring at our 2016 annual meeting of stockholders (with the understanding of each Nominee that if Proposal 4 relating to the declassification of the Board is approved by the stockholders, then, a one year term expiring at our 2014 Annual Meeting).

Each of Messrs. Mallott and Wallace currently serve as a Class III director and a Class I director, respectively. Each has each agreed to resign from their current directorships, effective upon the commencement of the Annual Meeting and stand for re-election at such meeting as Class II directors. Following the Annual Meeting, and assuming the election of each of the Nominees, the Board shall consist of nine members, with three directors in each class.

As described under Amendment to Declassify the Board and Provide for Annual Election of All Directors (Proposal 4) we have proposed for approval at the Annual Meeting an amendment to our amended and restated certificate of incorporation to declassify the Board such that all directors will be elected on an annual basis. If Proposal 4 is approved, each Nominee, together with each of the Company's other directors whose terms would otherwise extend beyond our 2014 Annual Meeting, has agreed to resign as a director effective prior to our 2014 Annual Meeting and, if recommended by our Nominating Committee and nominated by our Board, stand for re-election at such meeting.

Set forth below is information concerning each of our directors, and the key experience, qualifications and skills he or she brings to the Board.

The Nominees

Philip E. Mallott, 55, became one of our directors in July 2012, as he was elected by the Board to fill the vacancy created by the resignation of Norman Axelrod and currently serves as a Class III director. Mr. Mallott retired as Vice President, Finance and Chief Financial Officer of

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Intimate Brands, Inc., a former subsidiary of Limited Brands, Inc., and is currently a director of Big Lots, Inc., a discount retailer (Big Lots), and is the chair of its audit committee. He most recently provided retail stock research as an independent consultant to Westminster Research Associates LLC and, prior to that, as an analyst for Coker & Palmer, Inc. Mr. Mallott previously served as a director of Tween Brands, Inc. from 2000 to 2009. Mr. Mallott's experience as a certified public accountant, his service on the boards of other public companies and charitable organizations, and his experience in leadership roles with other retailers led to the conclusion that he should serve as a director on the Board.

C. Scott O Hara, 51, became one of our directors in February 2013, as he was elected by the Board to fill a vacancy created upon an increase in the size of our Board. Mr. O Hara was an Executive Vice President of H.J. Heinz Company, a leading producer and marketer of healthy and convenient foods (Heinz), serving as President and Chief Executive Officer of Heinz North America from July 2009 to August 2012. He previously served as Heinz's Executive Vice President and Chief Executive Officer of Heinz Europe and formerly as Executive Vice President -- Asia Pacific/Rest of World. Prior to joining Heinz in 2006, Mr. O Hara was an executive of the Gillette Company serving in various global operating and management roles for 14 years. He currently serves on the board of directors of Ecolab Inc., a leader in water, hygiene and energy technologies and services, and is a member of its finance and safety, health and environment committees, and previously served on its audit committee. Mr. O Hara's knowledge of the food industry and his international business experience led to the conclusion that he should serve as a director on the Board.

Richard J. Wallace, 62, became one of our directors in July 2010 and currently serves as a Class I director. Mr. Wallace served as a Senior Vice President for Research and Development at GlaxoSmithKline (GSK), a global pharmaceutical company, from 2004 until his retirement in 2008. Prior to that, he served in various executive capacities for GSK and its predecessor companies and their subsidiaries from 1992 to 2004. Mr. Wallace's experience prior to joining GSK included eight years with Bristol-Myers Squibb Company and seven years at Johnson & Johnson (in assignments spanning marketing, sales, manufacturing and general management). Mr. Wallace is also a director of ImmunoGen, Inc. and served as a director of Clinical Data Inc. from September 2007 to April 2011. Mr. Wallace's years of experience at several large pharmaceutical and consumer products companies and his significant corporate governance experience through his service on the boards of directors of other companies led to the conclusion that he should serve as a director on the Board.

The affirmative vote of the holders of a majority of the votes cast by our stockholders in person or represented by proxy and entitled to

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vote is required to approve this Proposal 1.

Recommendation

THE BOARD RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ELECTION OF THE THREE NOMINEES AS CLASS II DIRECTORS.

Class III -- Directors Currently Scheduled to Remain in Office until Our 2014 Annual Meeting of Stockholders

Jeffrey P. Berger, 63, became one of our directors in March 2011. Since 2008, Mr. Berger has served as a consultant to Heinz. From 2007 to 2008, Mr. Berger was the Chairman of Global Foodservice of Heinz. From 2005 to 2007, Mr. Berger was the Executive Vice President, President and Chief Executive Officer of Heinz Foodservice. From 1994 to 2005, Mr. Berger was President and Chief Executive Officer of Heinz North America Foodservice. Mr. Berger currently serves on the board of directors of Big Lots and chairs its nominating/corporate governance committee. Mr. Berger's years of experience as an executive officer at Heinz, in addition to his public company board experience, led to the conclusion that he should serve as a director on the Board.

Joseph Fortunato, 60, became the Chairman of our board of directors in July 2012 and has served as one of our directors since March 2007. He has also served as our Chief Executive Officer or President and Chief Executive Officer since November 2005. Mr. Fortunato previously served as Senior Executive Vice President and Chief Operating Officer from June 2005 until November 2005. Beginning in November 2001 until June 2005, Mr. Fortunato served as Executive Vice President and Chief Operating Officer of General Nutrition Companies, Inc. From October 2000 until November 2001, he served as its Executive Vice President of Retail Operations and Store Development. Mr. Fortunato began his employment with General Nutrition Companies, Inc. in October 1990 and has held various positions, including Senior Vice President of Financial Operations from 1997 to 1998, and Director of Financial Operations from 1990 to 1997. From 1984 to 1988, Mr. Fortunato was President of Fortunato & Associates Financial Consulting Group. From 1975 to 1984, Mr. Fortunato was the Controller of Motor Coils Manufacturing Company, a manufacturer of traction motors for locomotives and oil drilling rigs. Mr. Fortunato earned his undergraduate degree in Finance at Duquesne University in 1975. Mr. Fortunato currently serves on the boards of directors of KUE Management Inc., a provider of education programs and services and Mattress Firm Holding Corp., a leading specialty retailer of mattresses and related products and accessories. Mr. Fortunato's years of experience with us, his comprehensive knowledge of our business and perspective of our day-to-day operations led to the conclusion that he should serve as a director on the Board.

Michael F. Hines, 57, became one of our directors in November 2009 and was appointed as Lead Independent Director in July 2012. Mr. Hines was the Executive Vice President and Chief Financial Officer of Dick's Sporting Goods, Inc., a sporting goods retailer, from 1995 to March 2007. From 1990 to 1995, he held management positions with Staples, Inc., most recently as Vice President, Finance. Earlier, he spent 12 years in public accounting, the last eight years with the accounting firm Deloitte & Touche, LLP in Boston. Since 2007, Mr. Hines has served on the board of directors of The TJX Companies, Inc., and is the chair of its audit committee and a member of its finance committee. Since 2011, he has served on the board of directors of Dunkin' Brands Group, Inc., the parent company of Dunkin' Donuts and Baskin-Robbins, and chairs both its audit committee and its nominating and corporate governance committee. From 2003 to 2007, he served on the board of directors of Yankee Candle, Inc. Mr. Hines's experience as a financial executive and certified public accountant, coupled with his extensive knowledge of financial reporting rules and regulations, evaluating financial results and generally overseeing the financial reporting process of large retailers, led to the conclusion that he should serve as a director on the Board.

Mr. Mallott currently serves as a Class III director. He has agreed to resign effective upon the commencement of the Annual Meeting and stand for election as a Class II director. The biography for Mr. Mallott is set forth above as a Nominee.

Class I -- Directors Currently Scheduled to Remain in Office until Our 2015 Annual Meeting of Stockholders

Andrew Claerhout, 41, became one of our directors in May 2009. Mr. Claerhout is currently a Vice President of Teachers' Private Capital (TPC), the private equity arm of Ontario Teachers' Pension Plan Board. Mr. Claerhout joined TPC in 2005 from EdgeStone Capital Partners. Previously, Mr. Claerhout worked at Pacific Equity Partners in Australia and Bain & Company in Canada and in Hong Kong. Mr. Claerhout has been involved in a number of private equity transactions across various industries while at TPC. Mr. Claerhout currently sits on the boards of directors of Easton-Bell Sports, Exal, Munchkin, Alliance Laundry Systems and Dematic. Mr. Claerhout's years of experience in mergers and acquisitions, corporate finance and the retail and consumer products industries led to the conclusion that he should serve as a director on the Board.

David B. Kaplan, 45, became one of our directors in February 2007. Mr. Kaplan is a founding member and Senior Partner of Ares Management LLC, an alternative asset management investment firm, where he serves on the firm's Executive Committee and co-heads the Private Equity Group. Prior to Ares, he was with Shelter Capital Partners, LLC, where he was a Senior Principal from June 2000 to April 2003. From 1991 through 2000, Mr. Kaplan was affiliated with, and a Senior Partner of, Apollo Management, L.P. and its affiliates, during which time he completed multiple private equity investments from origination through exit. Mr. Kaplan currently serves as

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Chairman of the boards of directors of 99¢ Only Stores and Smart & Final Holdings, Inc., and as a member of the boards of directors of Floor and Decor Outlets of America, Inc. and Stream Global Services, Inc. Mr. Kaplan's previous public company board of directors experience includes Maidenform Brands, Inc., where he served as the company's Chairman, Orchard Supply Hardware Stores Corporation, Dominick's Supermarkets, Inc. and Allied Waste Industries Inc. Mr. Kaplan has over 20 years of experience managing investments in, and serving on the boards of directors of, companies operating in various industries, including the retail and consumer products industries, which led to the conclusion that he should serve as a director on the Board.

Amy B. Lane, 60, became one of our directors in June 2011. Ms. Lane was a Managing Director and Group Leader of the Global Retailing Investment Banking Group at Merrill Lynch & Co., Inc., an investment bank, from 1997 until her retirement in 2002. Ms. Lane previously served as a Managing Director at Salomon Brothers, Inc., an investment bank, where she founded and led the retail industry investment banking unit. Ms. Lane has served on the board of directors of The TJX Companies, Inc., a retailer of apparel and home fashions, since 2005, and was also a director of Borders Group, Inc., a book and music retailer, from 1995 to 1999 and from 2001 to 2009. Ms. Lane's experience as the leader of two investment banking practices covering the global retailing industry has given her substantial experience with financial services, capital markets, finance and accounting, capital structure, acquisitions and divestitures in the retail industry as well as management, leadership and strategy, which led to the conclusion that she should serve as a director on the Board.

Mr. Wallace currently serves as a Class I director. He has agreed to resign effective upon the commencement of the Annual Meeting and stand for election as a Class II director. The biography for Mr. Wallace is set forth above as a Nominee.

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OTHER BOARD INFORMATION

Board Composition

The Board is currently composed of Jeffrey P. Berger, Andrew Claerhout, Joseph Fortunato, Michael F. Hines, David B. Kaplan, Johann O. Koss, Amy B. Lane, Philip E. Mallott, C. Scott O Hara and Richard J. Wallace. Norman Axelrod, Brian Klos and Romeo Leemrijse each served as a director of the Company for a portion of fiscal 2012. Mr. Axelrod resigned on July 19, 2012, and prior to his resignation served as Chairperson of the Board and also served as a member of our Compensation Committee. Messrs. Klos and Leemrijse both resigned on October 18, 2012 and neither of them were members of one of our Board committees. Mr. Mallott was elected as a director by the Board on July 19, 2012 to fill the vacancy created by the resignation of Mr. Axelrod. Also, effective July 19, 2012, the Board elected Mr. Fortunato, our President and Chief Executive Officer, to serve as Chairman of the Board, and appointed Mr. Hines to serve as Lead Independent Director of the Board. Upon the resignations of Messrs. Klos and Leemrijse, the Board reduced the size of the Board from eleven to nine. Effective February 27, 2013, the size of the Board was increased to ten and Mr. O Hara was elected as a director by the Board to fill the vacancy created by such increase. Mr. Koss has determined that he will not serve another term as a director of the Company and therefore will no longer be a director of the Company after the Annual Meeting. In order to balance the number of directors in each class, Messrs. Wallace and Mallott have each agreed to resign from their positions on the Board as Class I and Class III directors, respectively, effective as of the Annual Meeting and stand for election as Class II directors along with C. Scott O Hara. Following the Annual Meeting, and assuming the elections of Messrs. Mallott, O Hara and Wallace, the Board shall consist of nine members, with three directors in each class.

The Board has adopted Corporate Governance Guidelines, which are available on the Corporate Governance page of the Investor Relations section of our website located at www.gnc.com and will be provided to any stockholder free of charge upon request.

Board Meetings in 2012

The Board held seven meetings during our fiscal year ended December 31, 2012.

Director Attendance

During our fiscal year ended December 31, 2012, all of our directors attended at least 75% of the total number of meetings of the Board and committees on which he or she served that were held during the period he or she served as a director or committee member, as applicable. The Annual Meeting will be our second annual meeting of stockholders since we completed our initial public offering (the IPO) in April 2011. We encourage, but do not require, our directors to attend our annual meetings of stockholders.

Director Independence

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Our Common Stock has been listed for trading on the NYSE under the symbol GNC since March 31, 2011. The Board, upon the findings of the Nominating Committee, has determined that each of Ms. Lane and Messrs. Berger, Hines, Koss, Mallott, O Hara and Wallace is independent within the meaning of Rule 303A.02 of the NYSE Listed Company Manual.

Leadership Structure

In July 2012, the Board adopted guidelines that provide that the Board has the discretion and flexibility to decide if the roles of the Chief Executive Officer and Chairperson of the Board are to be separate or combined. In the event that the Chairperson of the Board is not an independent director, the Nominating Committee may designate an independent director to serve as the Lead Independent Director to facilitate communications between members of the Board and the Chairperson and/or Chief Executive Officer, chair meetings of the non-management or independent directors in executive session and otherwise consult with the Chairperson and/or Chief Executive Officer on matters relating to corporate governance and Board performance.

Currently, our leadership structure does not separate the offices of Chief Executive Officer and Chairman of the Board, with Mr. Fortunato serving in both positions. Mr. Hines has been designated as Lead Independent Director. The Company believes that combining the Chairman and Chief Executive Officer roles fosters clear accountability, effective decision making and alignment on corporate strategy.

Risk Oversight

The Board plays an active role in overseeing management of our risks. The Board regularly reviews information regarding our credit, liquidity and operations, as well as the risks associated with each. The Audit Committee is responsible for overseeing the management of financial risks. The Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation policies and arrangements. The Nominating Committee is responsible for managing risks relating to our director compensation policies and arrangements, the independence of the Board and other corporate governance matters. While each of the Committees is responsible for evaluating certain risks and overseeing the management of such risks, the Board as a whole is regularly informed of the conclusions of such evaluations through reports of the Committees.

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Board Committees

Each of the Committees is a standing committee of the Board. The Board has adopted a written charter for each of the Committees, which are all available on the Corporate Governance page of the Investor Relations section of our website located at www.gnc.com and will be provided to any stockholder free of charge upon request.

Audit Committee

The Audit Committee held ten meetings during our fiscal year ended December 31, 2012 and consists of Johann O. Koss, Philip E. Mallott and Michael F. Hines, who acts as its chair. The Board has determined that each of Messrs. Hines and Mallott qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K and has the attributes set forth in such section.

The principal duties and responsibilities of the Audit Committee are as follows:

- to monitor our financial reporting process and internal control system;
- to appoint and replace our independent registered public accounting firm from time to time, determine its compensation and other terms of engagement and oversee its work;
- to oversee the Company audit and financial statements and disclosure;
- to oversee the performance of our internal audit function; and
- to oversee our compliance with legal, ethical and regulatory matters.

The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors to fulfill its responsibilities and duties.

Compensation Committee

The Compensation Committee held six meetings during our fiscal year ended December 31, 2012 and consists of Jeffrey P. Berger, Amy B. Lane, Philip E. Mallott and Richard J. Wallace, who acts as its chair. Ms. Lane acted as chair of the Compensation Committee until January 2013, when Mr. Wallace was elected as chair.

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The principal duties and responsibilities of the Compensation Committee are as follows:

- to oversee the development and implementation of our executive compensation policies and objectives;
- to determine the structure of our executive compensation packages generally;
- to determine the actual compensation paid to each of our senior executives and evaluate the performance of our Chief Executive Officer;
- to determine stock ownership guidelines for the Company's executives and monitor compliance with such guidelines;
- to review potential risk to the Company from its compensation policies and program, including incentive compensation plans; and
- to review and recommend to the Board for approval the frequency with which the Company will conduct stockholder advisory votes on executive compensation, taking into account the results of the most recent stockholder advisory vote.

Prior to April 2012, the Compensation Committee also oversaw the development and implementation of our non-employee director compensation policies and objectives, and determined the structure of our non-employee director compensation packages. In April 2012, based on the recommendations of the Compensation Committee and the Nominating Committee, the Board delegated to the Nominating Committee all responsibilities and duties related to the compensation of the Company's non-employee directors.

Compensation Committee Interlocks and Insider Participation. For our fiscal year ended December 31, 2012, (i) no member of the Compensation Committee has (a) served as one of our officers or employees or (b) had any relationship requiring disclosure under Item 404 of Regulation S-K, and (ii) none of our executive officers served as a director or member of the compensation committee of another entity whose executive officers served on the Board or the Compensation Committee.

Nominating and Corporate Governance Committee

The Nominating Committee held four meetings during our fiscal year ended December 31, 2012 and consists of Amy B. Lane, Richard J. Wallace and Jeffrey P. Berger, who acts as its chair.

The principal duties and responsibilities of the Nominating Committee are as follows:

- to establish criteria for board and committee membership and recommend to the Board proposed nominees for election to the Board and for membership on committees of the Board;
- to make recommendations to the Board regarding board governance matters and practices; and
- to determine the structure and oversee the development and implementation of our director compensation policies and objectives.

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Director Qualifications; Nominating Committee Process. The Nominating Committee's policy is to identify potential nominees from any properly submitted nominations, including any properly submitted nominations from our stockholders, and subsequently evaluate each potential nominee. To properly submit a nomination, our stockholders must provide timely notice of such nomination in accordance with Section 5(b) of our Fifth Amended and Restated Bylaws (the "Bylaws").

To be timely, notice of a proposed nomination must be delivered to or mailed and received at the Company's principal executive offices not earlier than 120 days nor fewer than 90 days in advance of the date on which the Company first mailed its proxy materials for the previous year's annual meeting of its stockholders; provided, however, that if the date of the annual meeting has changed by more than 30 days from the prior year, the nomination must be received not earlier than the 120th day prior to the date of such annual meeting nor later than the later of (i) the 90th day prior to the date of such annual meeting or (ii) the 10th day following the day on which public announcement of such meeting date is first made.

In addition to information regarding the nominating stockholder as set forth in the Company's amended and restated by-laws, such stockholder's notice shall set forth as to each individual whom the stockholder proposes to nominate for election or reelection as a director:

- the name, age, business address and residence address of such individual;
- the class, series and number of any shares of stock of the Company that are beneficially owned by such individual;
- the date such shares were acquired and the investment intent of such acquisition;
- whether such stockholder believes any such individual is, or is not, independent as set forth in the requirements established by NYSE or any other exchange or automated quotation service on which the Company's securities are listed, and information regarding such individual that is sufficient, in the discretion of the Board or any committee thereof or any authorized officer of the Company, to make either such determination; and
- all other information relating to such individual that is required to be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations promulgated thereunder.

Any such submission must be accompanied by the written consent of the individual whom the stockholder proposes to nominate to being named in the proxy statement as a nominee and to serving as a director if elected.

The Nominating Committee may, but is not required to, consider nominations not properly submitted in accordance with the Company's Corporate Governance Guidelines, and the committee may request further information and documentation from any proposed nominee or from any stockholder proposing a nominee. All nominees properly submitted to the Company (or which the Nominating Committee otherwise elects to consider) will be evaluated and considered by members of the Nominating Committee using the same criteria as nominees identified by the Nominating Committee itself.

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The Nominating Committee conducts the appropriate and necessary inquiries (as determined by the Nominating Committee) with respect to the backgrounds and qualifications of any potential nominees, without regard to whether a potential nominee has been recommended by our stockholders, and, upon consideration of all relevant factors and circumstances, recommends to the Board for its approval the slate of director nominees to be nominated for election at our annual meeting of stockholders. The Nominating Committee considers potential nominees without regard to race, color, creed, religion, national origin, age, gender, sexual orientation or disability. The Nominating Committee has not adopted a formal policy with respect to diversity.

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Code of Ethics

We have adopted a Code of Ethics applicable to our Chief Executive Officer and senior financial officers and a Code of Business Conduct and Ethics that is applicable to all employees. Each document is available on the Corporate Governance page of the Investor Relations section of our website located at www.gnc.com and will be provided to any stockholder free of charge upon request. Any amendments to or waivers from our Code of Ethics with respect to our Chief Executive Officer and senior financial officers will also be disclosed on our website. Each year, employees receive training with respect to the expectations specified in the Code of Business Conduct and Ethics, and acknowledge that they understand their responsibilities and will comply with all aspects of the Code of Business Conduct and Ethics.

Stockholder Communications

The Board welcomes communications from our stockholders. Stockholders may send communications to the Board, or to any particular director, to the following address: GNC Holdings, Inc., 300 Sixth Avenue, Pittsburgh, Pennsylvania, 15222, Attention: Secretary. Stockholders should indicate clearly the director or directors to whom the communication is being sent so that each communication may be forwarded directly to the appropriate director(s).

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our Former Greater than 5% Stockholders: Ares and OTTP (the Sponsors)

When we completed our IPO on April 6, 2011, Ontario Teachers Pension Plan Board (OTTP) owned 100% of the outstanding shares of our Class B common stock (at the election of OTTP, converted to Class A Common Stock in March 2012) and OTTP and Ares Corporate Opportunities Fund II, L.P. (Ares) and together with OTTP, our former Sponsors) combined to own approximately 63% of the outstanding shares of our Common Stock. As we consummated our IPO, we were party, along with the Sponsors, to an amended and restated stockholders agreement (the Amended and Restated Stockholders Agreement). The Amended and Restated Stockholders Agreement contained registration rights that required us to register shares of Common Stock held by the stockholders who are parties to such agreement in the event we register for sale, either for our own account or for the account of others, shares of Common Stock. Subsequent to the IPO, certain of our stockholders (including our former Sponsors) completed the following registered secondary offerings of our Common Stock:

- in October 2011, 23.0 million shares at \$24.75 per share;
- in March 2012, 19.6 million shares at \$33.50 per share;
- in August 2012, 10.0 million shares at \$38.42 per share; and
- in November 2012, 11.7 million shares at \$35.20 per share.

In conjunction with the August 2012 offering, we repurchased an additional six million shares of Common Stock from Ares as part of a share repurchase program (as discussed below). As of December 31, 2012, Ares does not own any shares of our capital stock and OTTP owns less than 10,000 shares of Common Stock. No shares of Class B common stock are currently outstanding.

Stockholders Agreements

Amended and Restated Stockholders Agreement

On February 8, 2007, together with our wholly owned subsidiary, GNC Acquisition Inc., we entered into an Agreement and Plan of Merger (the Merger Agreement) with GNC Parent Corporation. Pursuant to the Merger Agreement and on March 16, 2007, GNC Acquisition Inc. was merged with and into GNC Parent Corporation, with GNC Parent Corporation as the surviving corporation and our wholly owned subsidiary (the Merger). Upon consummation of the Merger, we entered into a stockholders agreement with each of our stockholders at such time, which included certain of our directors, employees, members of our management and our principal stockholders. The agreement was amended and restated in connection with the consummation of the IPO on April 6, 2011 to provide for registration rights (as discussed above). The Amended and Restated Stockholders Agreement is no longer in effect.

Stockholders Agreement

The Company also entered into a Stockholders Agreement, dated April 6, 2011, by and among the Company, Ares and OTPP (the "Stockholders Agreement"), which provided that the Board would consist of at least nine members and that the Sponsors would have certain rights to nominate to the Board, subject to their election by our stockholders. Of the current directors, Mr. Kaplan was originally designated by Ares, Mr. Claerhout was originally designated by OTPP, and Messrs. Berger, Hines and Wallace were jointly designated by the Sponsors. Further, Mr. Fortunato was elected to the Board in accordance with the Stockholders Agreement, which provided that our Chief Executive Officer would sit on the Board. The Stockholders Agreement also provided that, for so long as the Sponsors collectively owned more than one third of the then outstanding shares of Common Stock, certain corporate actions would require Sponsor approval. Now, neither of the Sponsors owns more than 5% of the outstanding shares of Common Stock and such provisions are no longer applicable.

Lease Agreements

General Nutrition Centres Company, our indirect wholly owned subsidiary, is party, as lessee, to 16 lease agreements with Cadillac Fairview Corporation ("Cadillac Fairview"), as lessor, and one lease agreement with Ontrea, Inc. ("Ontrea"), as lessor, with respect to properties located in Canada. Each of Cadillac Fairview and Ontrea is a direct wholly owned subsidiary of OTPP. For our fiscal year ended December 31, 2012, we paid \$2.4 million and \$0.2 million under the lease agreements with Cadillac Fairview and Ontrea, respectively. As of December 31, 2012, the aggregate future minimum lease payments under the lease agreements with Cadillac Fairview and Ontrea were \$9.0 and \$0.7 million, respectively. Each lease was negotiated in the ordinary course of business on an arm's length basis.

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Share Repurchase

On August 9, 2012, in conjunction with our August 2012 secondary offering, the Company entered into an agreement to repurchase six million shares of Common Stock directly from Ares at a price of \$38.42 per share, the same price per share as the pricing of the August 2012 offering. The repurchase was made pursuant to the Company's previously announced \$300 million share repurchase program and was negotiated and approved by an independent committee of the Board consisting of Messrs. Berger and Hines and Ms. Lane.

Procedures for Transactions with Related Persons

We recognize that transactions between the Company and related persons present a potential for actual or perceived conflicts of interest. Our general policies with respect to such transactions are included in our Code of Business Conduct and Ethics. All employees are required to follow the Code of Business Conduct and Ethics and the Audit Committee of the Board, along with a Corporate Compliance Group lead by our Chief Legal Officer, oversee our Code of Business Conduct and Ethics. Although we have not adopted formal procedures for the review, approval or ratification of transactions with related persons, the Board reviews potential transactions with those parties we have identified as related parties prior to the consummation of the transaction, and we adhere to the general policy that such transactions should only be entered into if they are approved by the Board, in accordance with applicable law, and on terms that, on the whole, are no more or less favorable than those available from unaffiliated third parties.

Table of Contents**EXECUTIVE OFFICERS**

Set forth below is information concerning our executive officers.

Name	Age	Position
Joseph Fortunato	60	Chairman of the Board, President and Chief Executive Officer
Michael M. Nuzzo	42	Executive Vice President and Chief Financial Officer
Thomas Dowd	49	Executive Vice President, Chief Merchandising Officer and General Manager
Andrew S. Drexler	42	Senior Vice President Finance and Corporate Controller
Darryl V. Green	52	Senior Vice President, International and Domestic Franchising
Michael Locke	67	Senior Vice President of Manufacturing
Guru Ramanathan	50	Senior Vice President and Chief Innovation Officer
Gerald J. Stubenhofer, Jr.	44	Senior Vice President, Chief Legal Officer and Secretary

The biography for Mr. Fortunato is set forth above under Election of Three Class II Directors (Proposal 1) Directors Currently Scheduled to Remain in Office until Our 2014 Annual Meeting of Stockholders.

Michael M. Nuzzo became our Executive Vice President and Chief Financial Officer in September 2008. From 1999 to 2008, Mr. Nuzzo served in various senior level finance and retail operations and strategic planning roles with Abercrombie & Fitch, a specialty retailer of casual clothing for men, women and children. Mr. Nuzzo served as: Senior Vice President Finance from June 2008 to September 2008 responsible for overseeing corporate finance, financial planning and analysis, treasury, budgeting and accounting operations and investor relations; and Vice President Finance from January 2006 to May 2008, as a liaison to the audit committee and responsible for overseeing corporate finance, financial planning and analysis and treasury, budgeting and accounting operations. Prior to his work in the retail sector, Mr. Nuzzo was a senior consultant with William M. Mercer and Medimetrix Group. Mr. Nuzzo earned his undergraduate degree in Economics from Kenyon College in 1992 and also received his MBA in Finance and Accounting from the University of Chicago in 1998.

Thomas Dowd became our Executive Vice President, Chief Merchandising Officer and General Manager in June 2011, having served as Executive Vice President of Store Operations and Development since May 2007. From December 2005 until May 2007, Mr. Dowd served as Senior Vice President and General Manager of Retail Operations of General Nutrition Corporation and as Senior Vice President of Stores since March 2003. From March 2001 until March 2003, Mr. Dowd was President of Healthlabs, LLC, an unaffiliated contract supplement manufacturing and product consulting company. Mr. Dowd was Senior Vice President of Retail Sales from May 2000 until March 2001, and Division Three Vice President of General Nutrition Corporation from December 1998 to May 2000.

Andrew S. Drexler became our Senior Vice President Finance and Corporate Controller in September 2011. Prior to GNC, Mr. Drexler served in several capacities for Wal-Mart Stores, Inc. (Walmart) beginning in 2001, including serving as Vice President of Finance, Information Systems Division from 2010 - 2011, Vice President of Finance, Membership, Marketing, Operations and Ecommerce for the Sam's Club Division from 2008 - 2010, Vice President of Shared Services from 2006 - 2008, Vice President & Assistant Corporate Controller from 2004 - 2006, Director of Financial Reporting from 2003 - 2004, Finance Director for Mergers and Acquisitions for the International Division from 2001 - 2003 and Research and Analysis Manager of Mergers and Acquisitions for the International Division from 2001 - 2002. Prior to Walmart, Mr. Drexler served in several capacities for PricewaterhouseCoopers including Manager of Assurance and Business Advisory Services from 1993 - 2001. Mr. Drexler is a certified public accountant.

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Darryl V. Green became our Senior Vice President, International and Domestic Franchising in October 2011, having served as Senior Vice President of Domestic Store Operations since July 2011. From August 2005 to July 2011, Mr. Green served as Senior Vice President of Domestic Franchising. From November 2003 until August 2005, Mr. Green served as Vice President of Retail Operations for the Southeast United States. Mr. Green began his employment with GNC in 1983 and has served in various retail, marketing and franchising positions with us, including Vice President of Retail Sales from June 1999 to June 2001, Vice President of Retail Operations for the Southeast United States from November 1997 to June 1999 and Divisional Merchandise Manager from January 1995 to November 1997. Mr. Green has informed the Company of his intention to retire at the end of April 2013.

Michael Locke became our Senior Vice President of Manufacturing in June 2003. From January 2000 until June 2003, Mr. Locke served as the head of North American Manufacturing Operations for Numico, the former parent company of General Nutrition Companies, Inc. From 1994 until 1999, he served as Senior Vice President of Manufacturing of Nutra Manufacturing, Inc. (f/k/a General Nutrition Products, Inc. and former subsidiary General Nutrition Companies, Inc.), and from 1991 until 1993, he served as Vice President of Distribution. From 1986 until 1991, Mr. Locke served as Director of Distribution of General Nutrition Distribution Company, our indirect subsidiary. Mr. Locke has informed the Company of his intention to retire at the end of April 2013.

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Guru Ramanathan, Ph.D., became our Senior Vice President and Chief Innovation Officer in December 2009 having previously served as Senior Vice President of Product and Package Innovation since February 2008 and Senior Vice President of Scientific Affairs since April 2007. He served as Vice President of Scientific Affairs from December 2003 to April 2007. Dr. Ramanathan began his employment as Medical Director of General Nutrition Corporation in April 1998. Between August 2000 and December 2003, he also provided scientific and clinical trials oversight for the North American subsidiaries of Royal Numico, the former parent company of General Nutrition Corporation. Prior to joining General Nutrition Corporation, Dr. Ramanathan worked as Medical Director and Secretary for the Efamol subsidiary of Scotia Pharmaceuticals in Boston. Between 1984 and 1998, in his capacity as a pediatric dentist and dental surgeon, Dr. Ramanathan held various industry consulting and management roles, as well as clinical, research and teaching appointments in Madras, India, and Tufts University and New England Medical Center in Boston, Massachusetts. Dr. Ramanathan earned his PhD in Innovation Management from Tufts University and his MBA from Duke University's Fuqua School of Business.

Gerald J. Stubenhofer, Jr. became our Senior Vice President, Chief Legal Officer and Secretary in September 2007. From January 2005 to September 2007, Mr. Stubenhofer was a Partner at McGuireWoods LLP, a large international law firm, and represented various companies in complex commercial litigation matters. While at McGuireWoods LLP, Mr. Stubenhofer served as Co-Chair of the firm's Franchise and Distribution practice group. Prior to January 2005, Mr. Stubenhofer was an Associate at McGuireWoods LLP. From June 1997 to November 1999, Mr. Stubenhofer served as our Assistant General Counsel. Mr. Stubenhofer earned undergraduate degrees in Philosophy and Political Science from Allegheny College in 1991 and earned his JD from the University of Pittsburgh School of Law in 1994.

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COMPENSATION DISCUSSION AND ANALYSIS

This section discusses the material elements of compensation awarded to, earned by or paid to our principal executive officer, our principal financial officer and our three other most highly compensated executive officers. These individuals are referred to collectively as the Named Executive Officers.

For 2012, the Named Executive Officers were:

Name	Title
Joseph Fortunato	Chairman of the Board, President and Chief Executive Officer
Michael M. Nuzzo	Executive Vice President and Chief Financial Officer
Thomas Dowd	Executive Vice President, Chief Merchandising Officer and General Manager
Gerald J. Stubenhofer, Jr.	Senior Vice President, Chief Legal Officer and Secretary
Guru Ramanathan	Senior Vice President and Chief Innovation Officer

Executive Summary

We believe our business benefits from an exceptional management team that is responsible for establishing our leadership in the nutritional supplement industry and our achievement of:

- 17.3% total revenue growth in 2012, reflecting strong revenue growth in each of our three segments (Retail, Franchise and Manufacturing/Wholesale);
- domestic company-owned same store sales growth of 11.5%, including GNC.com sales;
- growth of GNC.com sales by 28.9%;
- generating net cash from operating activities of \$221.2 million, repurchasing \$360.0 million in Common Stock and paying \$45.2 million in Common Stock dividends;
- opening of 142 net new domestic company-owned stores, 240 net new international franchise locations, 56 net new Rite Aid franchise store-within-a-store locations and 25 net new domestic franchise locations; and

- 30 consecutive quarters of positive domestic company-owned same store sales growth.

Mr. Fortunato, our Chairman of the Board, President and Chief Executive Officer, has been with us for over 20 years and as Chief Executive Officer since 2005. Under his leadership we have been able to expand our store and franchise network to more than 8,100 locations, of which more than 6,100 retail locations are in the United States (including 949 franchise and 2,181 Rite Aid franchise store-within-a-store locations), and franchise operations in 54 international countries (including distribution centers where retail sales are made). In addition, we have grown our market leading position, and, based on information we compiled from the public securities filings of our primary competitors, our network of domestic retail locations is now approximately eleven times larger than the next largest U.S. specialty retailer of nutritional supplements. We have sought to establish competitive compensation programs that enable us to attract and retain skillful, experienced and dedicated executives as well as motivate management to maximize performance while building stockholder value.

2012 was our first full year as a publicly traded company. Historically, our executive compensation program has been structured to generate and reward superior company performance by establishing compensation packages under which variable, or incentive, compensation is weighted more heavily than base salary. We have established compensation programs to motivate our executives to focus on both our short- and long-term performance by providing a mix of short- and long-term incentive compensation in the form of annual cash incentive compensation and long-term equity-based incentive compensation. We believe that this approach aligns the incentives to our executives with the interests of our stockholders. Although we have retained these philosophies, we have continued to modify certain aspects of our executive compensation program since becoming a publicly traded company, primarily in the area of variable compensation.

Long-term Incentive Compensation. During fiscal 2012, we continued to transition our long-term incentive program from one that was (prior to our IPO) composed entirely of stock options to one that more effectively utilizes our shares and achieves our objectives. We believe that granting full-value awards, such as restricted stock and restricted stock units, cultivates an ownership mentality among our executives and, when combined with stock options, effectively focuses management on achieving our strategic and financial objectives,

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thereby more closely aligning the interests of our executives with the long-term interests of our stockholders.

In December 2011, for fiscal year 2012, we granted our Named Executive Officers stock options and time-vested restricted shares (which were reflected in our 2011 Summary Compensation Table). Then, in October 2012, we approved a new long-term incentive program for our executives, including our Named Executive Officers. Our new long-term incentive program uses restricted stock units instead of restricted shares, increases the weighting of restricted stock units as compared to stock options, and introduces a performance-based vesting component with respect to a portion of the award as well. Under the new program, our Named Executive Officers receive an annual award composed of a mix of time-vested restricted stock units (RSUs) (50% of the total award value), stock options (25% of the total award value) and performance-vested restricted stock units (PSUs) (25% of the total award value), with the RSUs vesting over three years, the options vesting over four years and the PSUs vesting at the end of three years contingent on performance.

It is expected that the next annual grants under our new long-term incentive program are likely to be made by April 2014. Because of the significant delay between the initial grants under our new program in October 2012 and the next expected grants by April 2014, the total award values for the October 2012 grants were generally increased to 150% of the values that would otherwise have been granted. Since performance goals for the PSUs were not established until the start of 2013, the Stock Award column in the Summary Compensation Table below does not reflect the PSU component of the October 2012 grants; instead the PSUs will be reflected in our Summary Compensation Table next year. For more information, see Elements of Compensation Long-term Incentive Compensation below.

Annual Cash Incentive Compensation. In 2012, we adopted an annual cash incentive compensation program for our executives, including each of the Named Executive Officers, that introduced two new performance metrics (in addition to EBITDA (as defined below), which had been the only performance metric used for annual bonuses prior to our IPO) transaction counts (weighted 10%) and domestic company-owned same store sales growth (weighted 10%, with EBITDA weighted the remaining 80%). We believed that these additional criteria would incentivize our executives to focus on multiple performance drivers throughout our business. 2012 was a very successful year with respect to each of these metrics, and all of our Named Executive Officers earned their maximum annual bonuses. For information, see Elements of Compensation Annual Cash Incentive Compensation below.

Other 2012 Compensation Highlights

- At our 2012 annual meeting, our stockholders approved, on a non-binding, advisory basis, the say-on-pay proposal with respect to our 2011 executive compensation program by a percentage of 99%. We considered the results of this vote and, in light of this overwhelming stockholder support, we did not make any specific changes to our 2012 executive compensation program based on the outcome of the say-on-pay vote.
- In 2012, in an effort to simplify our compensation program, the Compensation Committee decided to terminate the payment of perquisite allowances for our Named Executive Officers, except as described below under Elements of Compensation Benefits and Perquisites.
- In March 2013, the Compensation Committee reviewed our executive compensation program with management from a risk perspective and determined that there are no risks created by our compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. In reaching this conclusion, the Committee considered various factors, including the balance between annual and long-term compensation and between fixed and variable compensation, the use of multiple types of long-term incentive awards, the use of multiple performance criteria (including both short- and long-term criteria) for payment of incentive compensation, the use of performance measures that are intended to increase shareholder value if goals are achieved, and various compensation policies and practices that mitigate excessive risk (including substantial stock ownership requirements for key executives, the clawback feature of the Company's equity awards, the Committee's negative discretion to reduce the amount of incentive awards, and the prohibition on hedging or pledging of Company stock by executives).

Compensation Policies and Objectives

The primary objectives of our executive compensation program are to (i) align cash and stock-based rewards with individual performance that creates stockholder value, (ii) attract and retain high quality employees, (iii) build an ownership mentality among our key employees and (iv) provide cost effective cash and stock-based rewards that are competitive with other organizations and fair to our stockholders and employees. These objectives apply to the compensation of the Named Executive Officers, and to the elements of their respective executive compensation packages as follows:

Base Salary. The objective in determining base salaries for the Named Executive Officers is to set base salaries at levels that are (i) sufficient to attract and retain high quality, qualified employees and (ii) perceived as fair to our stockholders and employees. The Compensation Committee seeks to set base salaries at levels that are competitive with a peer group of companies. In addition, base salaries are influenced by the complexity and level of the applicable position.

Annual Cash Incentive Compensation. We use annual cash incentive compensation to incentivize the Named Executive Officers to contribute to our growth and financial performance and to provide rewards based on achievement of predetermined goals that are intended to drive increases in stockholder value. As additional cash compensation that is contingent on our financial performance, annual cash incentive compensation augments the base salary component while being tied to our financial performance.

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Long-term Incentive Compensation. We believe that stock-based awards are important in building an ownership mentality among our executives and aligning the long-term financial interests of our executives with those of our stockholders. Stock options and time- and performance-vested restricted stock units provide incentives to drive performance, but have long-term horizons because value to our executives is dependent on continued employment and, for the PSUs, on the achievement of pre-established performance goals and, for the stock options, increases in the market value of our Common Stock.

Benefits and Perquisites. The Named Executive Officers are entitled to participate in, and to receive benefits under, the benefit plans, arrangements and policies available to our employees or executives generally. For 2012, in an effort to simplify our compensation program, the Compensation Committee decided to terminate the payment of perquisite allowances for our Named Executive Officers except as described below under Elements of Compensation Benefits and Perquisites.

Executive Compensation Process

Role of the Compensation Committee

The Compensation Committee oversees the development and implementation of our executive compensation policies and objectives, determines the structure of our executive compensation packages generally, determines the actual compensation paid to each of our senior executives and evaluates the performance of our Chief Executive Officer. In addition, the Compensation Committee has the authority to (i) review our incentive compensation plans, recommend changes to such plans to the Board and exercise all the authority of the Board with respect to the administration of such plans, and (ii) retain, terminate and set the terms of our and the Compensation Committee's relationship with any consultants and other outside advisors who assist the Compensation Committee in carrying out its duties.

Role of Management

The Compensation Committee considers the recommendations of management, principally our Chief Executive Officer, when determining the structure of our executive compensation packages generally and the actual compensation paid to each of our senior executives. However, the Compensation Committee does not delegate any of its functions to others in setting compensation, and no Named Executive Officer is a member of the Compensation Committee. In addition, our Chief Executive Officer does not provide recommendations with respect to his own compensation.

Role of Outside Advisors

The Compensation Committee has retained Hay Group as an independent consultant to provide information, advice and recommendations regarding our executive compensation policies and design. In 2012, the Compensation Committee engaged Hay Group to review and provide information, advice and recommendations regarding our executive compensation program generally, as well as the individual compensation packages of each of our senior executives, including the Named Executive Officers. As discussed below under Use of Benchmarking Data, at the direction of the Compensation Committee, Hay Group worked with our Chief Executive Officer and our Human Resources personnel to

compare our executive compensation packages to those of a group of comparable companies.

Hay Group reports and provides advice and recommendations to the Compensation Committee and does not report to management or us. Prior to its original engagement in 2011, Hay Group had not previously worked with us in any capacity, nor has it served us in any capacity, other than as a consultant to the Compensation Committee. The Compensation Committee has reviewed and considered information provided to it by Hay Group, the Compensation Committee members and our executive officers, and based on its review and the factors described in the NYSE listing standards and such other factors as it deemed relevant, the Compensation Committee has concluded that Hay Group is independent, that the advice it receives from Hay Group is objective and that Hay Group's work has not raised any conflict of interest.

Use of Peer Group Data

Since the IPO, the Compensation Committee has sought to determine how our compensation programs compare to other publicly traded companies similar to us. The Compensation Committee seeks to set compensation for the Named Executive Officers at levels that are competitive with similar companies in our industry but consistent with our growth strategy and with an emphasis on variable compensation, rather than fixed compensation. In June 2011, the Compensation Committee directed Hay Group to obtain compensation information on top executives at a group of comparable retail companies suggested by Hay Group and adopted by the Compensation Committee (the 2011 Peer Group). The 2011 Peer Group was used to assist the Compensation Committee in comparing our executive compensation program generally, as well as the individual compensation packages of each of our senior executives, to the packages maintained by the companies in the 2011 Peer Group. The 2011 Peer Group was comprised of the following 17 publicly traded retail companies, which the Compensation Committee believed was broadly reflective of the size, scope and complexity of our business at the time; each of our revenue, market capitalization and price to earnings ratio was approximately equal to the median of the 2011 Peer Group:

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Big 5 Sporting Goods	Nu Skin Enterprises	Usana Health Sciences
Cabela's	Perrigo	Village Super Market
Dick's Sporting Goods	RadioShack	Vitamin Shoppe
Hansen Natural	Sally Beauty Holdings	Weight Watchers
Herbalife	Ulta Salon Cosmetics & Fragrance	Weis Markets
Hibbett Sports	United Natural Foods	

In connection with establishing compensation packages for 2012, based in part upon the results of Hay Group's analysis of compensation information obtained on top executives at companies in the 2011 Peer Group, the Compensation Committee, (i) modified our annual cash incentive compensation program for the Named Executive Officers to provide that cash compensation would be paid based on our achievement of predetermined levels of EBITDA, transaction counts and domestic company-owned same store sales growth, as discussed below under

Elements of Compensation Annual Cash Incentive Compensation, (ii) approved grants of long-term incentive awards in December 2011 for fiscal 2012 to our executives under the Grant Policy (as defined below), including each Named Executive Officer, as discussed below under

Elements of Compensation Long-term Incentive Compensation, (iii) adopted the Executive Stock Ownership Guidelines, as discussed below under Executive Officer Stock Ownership Guidelines, and (iv) adjusted the base salaries of each of our Named Executive Officers, as discussed below under Elements of Compensation Base Salary.

With the assistance of Hay Group, the Compensation Committee updated its peer group in October 2012 in order to appropriately reflect companies with revenue sizes, sectors and business models similar to our own. The revised peer group (the 2012 Peer Group), which was used for comparative purposes in setting the levels of the October 2012 long-term equity awards to our Named Executive Officers, is composed of the following 16 companies:

American Eagle Outfitters	Mead Johnson Nutrition	Ulta Salon Cosmetics & Fragrance
Cabela's	Monster Beverage	Vitamin Shoppe
Dick's Sporting Goods	Nu Skin Enterprises	Weight Watchers
Domino's Pizza	Panera Bread	Williams-Sonoma
Fresh Market	Perrigo	
Herbalife	Sally Beauty Holdings	

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We pay base salaries to the Named Executive Officers. With respect to 2012, the Compensation Committee increased the annual base salaries of each of the Named Executive Officers as follows:

Name	2011 Base Salary (\$)	2012 Base Salary (\$)	Percentage Increase (%)
Joseph Fortunato	1,000,000	1,050,000	5.0
Michael M. Nuzzo	421,700	469,000	11.2
Thomas Dowd	425,000	483,000	13.6
Gerald J. Stubenhofer, Jr.	329,600	361,100	9.6
Guru Ramanathan	309,000	321,400	4.0

Most of this increase for Messrs. Nuzzo, Dowd and Stubenhofer related to the elimination of the perquisites allowances, as discussed below under **Benefits and Perquisites**.

When setting such base salaries, the Compensation Committee (i) intended to more closely align the base salaries of Messrs. Nuzzo, Dowd and Stubenhofer and Dr. Ramanathan to the median base salaries of comparable executives in the 2011 Peer Group and (ii) replaced the payment of annual perquisite allowances with a corresponding increase in base salary, as discussed below under **Elements of Compensation Benefits and Perquisites**. The Compensation Committee also considered the following factors: (a) for Mr. Fortunato, the additional leadership responsibilities he has assumed in connection with the ongoing growth in each of our operating segments, (b) for Mr. Nuzzo, the responsibilities associated with being the Chief Financial Officer of a public company, as well as the new responsibilities he assumed as the head of information technology, (c) for Mr. Dowd, the new responsibilities he assumed by leading a number of company initiatives and managing a group of employees that had grown significantly following his promotion in June 2011, (d) for Mr. Stubenhofer, the responsibilities associated with being the Chief Legal Officer of a public company and (e) for Dr. Ramanathan, the new responsibilities he has assumed in his role as Chief Innovation Officer.

Annual Cash Incentive Compensation

Annual cash incentive compensation is documented in an annual plan that is adopted by the Compensation Committee under the GNC Holdings, Inc. 2011 Stock and Incentive Plan (the **2011 Stock Plan**) prior to or during the first quarter of the applicable year. The annual performance bonus for each Named Executive Officer has a target and maximum bonus amount expressed as a percentage of his annual base salary. The respective percentages are determined by position and level of responsibility and are stated in an annual cash incentive compensation plan adopted by the Compensation Committee.

The annual cash incentive plan for 2012 performance (the 2012 Incentive Plan) was adopted by the Compensation Committee in February 2012 and provided for the following threshold, target and maximum bonus amounts, expressed as a percentage of base salary:

Level	2012 Incentive Plan		
	Threshold Amount	Target Amount	Maximum Amount
Chairman of the Board, President and Chief Executive Officer	25%	80%	160%
Executive Vice President	20%	50%	100%
Senior Vice President	15%	40%	80%

The targets under the 2012 Incentive Plan were generally based on our achievement of (i) a predetermined level of earnings before interest, taxes, depreciation and amortization, which is calculated at the end of the year including adjustments disclosed in our quarterly earnings reports (EBITDA) and (ii) other objective, quantifiable performance goals related to each participant s position. With respect

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to each of our Named Executive Officers, the targets were based on our achievement of EBITDA and transaction counts and domestic company-owned same store sales growth. They were entitled to receive 80% of the target bonus amount if we achieved budgeted EBITDA equal to the target, and 10% for each of the other performance goals we achieved. The EBITDA thresholds and related goals for our Named Executive Officers under the 2012 Incentive Plan were as follows:

Thresholds	2012 Incentive Plan Percentage of Budgeted EBITDA Achieved
Threshold	94.7%
Target	100.0%
Maximum	104.8%

Any cash incentive compensation paid with respect to the performance goals related to transaction counts and domestic company-owned same store sales growth was designed to be paid only if we achieved our respective target for each aspect of our business.

Why We Do Not Disclose the 2012 Incentive Plan Performance Goals

We do not disclose our internal budget for results of operations, including budgeted EBITDA (as determined by management and approved by the Board), transaction counts and domestic company-owned same store sales growth. These amounts constitute confidential financial information, and we believe that their disclosure, whether with respect to historical periods or future periods, would cause us competitive harm by disclosing to competitors key elements of our internal projections.

The Compensation Committee sets the EBITDA and other performance targets at levels it believes are both challenging and achievable. By establishing targets that are challenging, the Compensation Committee believes that performance of our employees, and therefore our performance, is maximized. By setting targets that are also achievable, the Compensation Committee believes that employees remain motivated to perform at the high level required to achieve the targets. In setting and determining the difficulty of achieving these targets, the Compensation Committee considers primarily recent performance under our incentive plans, our internal projections and the assumptions on which our projections are based, including prevailing and expected general economic conditions.

The EBITDA target under the 2012 Incentive Plan represented an increase of 34.8% over the EBITDA target under our 2011 incentive plan, which represented an increase of 16.1% over the EBITDA target under our 2010 incentive plan. Each of these increases exceeded the increase in actual EBITDA achieved in the preceding year. Based primarily on the fact that achieving the EBITDA target under the 2012 Incentive Plan would require us to achieve EBITDA in excess of that which we achieved in 2011, the Compensation Committee believed that achieving 100% or more of budgeted EBITDA and the other performance targets established in the 2012 Incentive Plan, while possible to achieve for the Named Executive Officers, would present a significant challenge.

Results of the 2012 Incentive Plan

Our actual EBITDA for 2012 substantially exceeded our budgeted EBITDA, resulting in EBITDA goal achievement that was well in excess of the maximum level under the 2012 Incentive Plan. We also achieved our goals relating to transaction counts and domestic company-owned same store sales growth. Based on our performance in 2012, each plan participant, including the Named Executive Officers, was paid the maximum annual cash incentive compensation payable under the 2012 Incentive Plan.

While we have experienced success in meeting the established EBITDA and other performance targets, the Compensation Committee may determine in a particular year that, based upon factors other than financial performance, the awarding of all or only part of the bonuses as determined by goal achievement is appropriate. For 2012, the Compensation Committee awarded the full maximum bonuses to each Named Executive Officer based on the goal achievement.

The Named Executive Officers are entitled to annual cash incentive compensation pursuant to the terms of their respective employment agreements. Generally, annual cash incentive compensation is payable only if the Named Executive Officer is employed by us on the date payment is made.

Discretionary Bonuses

Separate and apart from the annual cash incentive plan, the Compensation Committee also has the authority to award discretionary bonuses on an individual basis if it determines that competitive considerations or circumstances require us do so in order to retain qualified executives. The Compensation Committee did not authorize any discretionary bonuses for 2012 outside of the 2012 Incentive Plan.

Long-term Incentive Compensation

Substantially all of our employees, and the employees of our direct and indirect subsidiaries and other affiliates, including the Named

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Executive Officers, are eligible for awards of stock options, restricted stock, restricted stock units (including performance-vested restricted stock units) and other stock-based awards under the 2011 Stock Plan. The Compensation Committee is responsible for administering, selecting the individuals who are eligible to participate in and determining the types and amounts of stock-based awards granted under the 2011 Stock Plan. The Compensation Committee has discretion to delegate all or a portion of its authority under the 2011 Stock Plan, but does not currently delegate any function of making awards. In 2007, we adopted the GNC Acquisition Holdings Inc. 2007 Stock Incentive Plan (the 2007 Stock Plan). Following the IPO and the adoption of the 2011 Stock Plan in 2011, we have not granted and will not grant any additional awards under the 2007 Plan.

Stock options granted under the 2007 Stock Plan and 2011 Stock Plan generally are subject to vesting in annual installments and have a term of seven to ten years. The Compensation Committee determines the size of stock-based awards in accordance with the Named Executive Officer's performance and level of position. Options and other stock-based awards under the 2011 Stock Plan are subject to clawback by the Company if the participant engages in any detrimental activity during the participant's service or for one year after the participant's service ends, which is generally defined to include disclosing confidential information about the Company, engaging in activities that result (or would result if known) in the termination of the participant's service for cause, soliciting the Company's employees on behalf of a competing employer, or materially breaching any agreement between the participant and the Company.

Based in part upon the results of Hay Group's analysis of the compensation packages of top executives at companies in the 2011 Peer Group, in December 2011, the Compensation Committee granted awards of stock options and restricted stock under the 2011 Stock Plan in respect of 2012 long-term equity compensation to certain executives, including each of the Named Executive Officers. The awards were intended to be annual grants for 2012 in accordance with the Grant Policy (as defined below) and designed to align the long-term financial interests of our executives with those of our stockholders. The awards were granted to each of our Named Executive Officers at a level that, based in part on the results of Hay Group's compensation analyses, were competitive compared to long-term incentive awards granted to executives with comparable titles and responsibilities within the 2011 Peer Group.

In January 2012, the Compensation Committee adopted a policy to consider grants of long-term incentive compensation awards on an annual basis, except for new hires, promotions and special performance recognition (the Grant Policy). Under the Grant Policy, awards will generally be granted at least two trading days after the release of material information, such as quarterly or annual earnings.

In October 2012, we granted additional long-term incentive awards covering fiscal 2013 to our Named Executive Officers under our newly-adopted long-term incentive program, as described above. The awards were composed of a mix of RSUs (50% of the total award value), stock options (25% of the total award value) and PSUs (25% of the total award value), with the RSUs vesting in annual installments over three years from the grant date, the stock options vesting in annual installments over four years from the grant date and the PSUs cliff vesting on December 31, 2015 if the performance goals are met, as described below.

The number of RSUs in each award was determined by dividing the portion of the total award value attributable to RSUs by \$36.16, which was the closing price per share of our Common Stock on November 2, 2012. The number of stock options in each award was determined by dividing the portion of the total award value attributable to options by \$11.23, which was the approximate Black-Scholes value of an option on the same date. The exercise price of the options was equal to 100% of the per-share fair market value (as defined in the 2011 Stock Plan) of our Common Stock on the grant date. Because the Compensation Committee did not establish the performance goals for the PSUs until its meeting in January 2013, the PSU grant date (in accordance with our Grant Policy described above) was not until February 19, 2013. The target number of PSUs in each award was determined by dividing the portion of the total award value attributable to PSUs by the closing value per share of our Common Stock on the PSU grant date. The actual number of PSUs that may be earned may range from 0% to 200% of the target number, as described below. The grant-date values of the RSUs and stock options are reported for each Named Executive Officer in the Stock Awards and Option Awards columns in the Summary Compensation Table below; the PSU awards will be reported in our Summary Compensation Table

next year.

Total award values for the October 2012 long-term incentive grants for our Named Executive Officers were determined based in part on the results of Hay Group's analysis of the compensation packages of top executives at companies in the 2012 Peer Group, and were intended to be competitive compared to long-term incentive awards granted to executives with comparable titles and responsibilities within the 2012 Peer Group. It is expected that future awards under our new long-term incentive program will occur annually in the first quarter of each fiscal year, starting with our 2014 fiscal year. Due to the significant delay between the October 2012 grants and the next expected grants in the first quarter of fiscal 2014, the total award value for each Named Executive Officer was increased to 150% of the usual value. The total award values for the October 2012 awards and corresponding number of RSUs, stock options and target PSUs awarded to each of our Named Executive Officers is set forth below:

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Name	Total Award Value	Number of RSUs	Number of Stock Options	Target Number of PSUs
Joseph Fortunato	\$3,375,000	46,668	75,134	19,999
Michael M. Nuzzo	\$900,000	12,445	20,036	5,333
Thomas Dowd	\$1,000,000	13,827	22,262	5,926
Gerald J. Stubenhofer, Jr.	\$400,000	5,531	8,905	2,370
Guru Ramanathan	\$300,000	4,148	6,679	1,778

The performance metrics for the PSU component of the October 2012 long-term incentive awards are earnings-per-share (EPS) growth and revenue growth, weighted equally. The Compensation Committee has established minimum, target and maximum levels of achievement with respect to each metric. Performance is measured as of the end of the three-year performance period on December 31, 2015. At the minimum level of performance with respect to each metric, 50% of the PSUs vest; at the target level, 100% of the PSUs vest; and at or above the maximum level, 200% of the PSUs vest, provided the executive has remained employed until the end of the performance period. The applicable portion of the PSUs is forfeited if performance is below the threshold level with respect to a particular metric. The threshold, target and maximum levels of performance with respect to each metric for the October 2012 PSU grants are as follows:

Metric	Weight	Threshold (50% payout)	Target (100% payout)	Maximum (200% payout)
EPS Growth*	50%	14.5%	17.5%	20.5%
Revenue Growth*	50%	7%	8%	10%

*Growth figures reflect compound annual growth over the three-year performance period. For performance between the threshold and target levels, or target and maximum levels, payouts are interpolated on a straight-line basis.

Benefits and Perquisites

Prior to 2012, we provided all of our Named Executive Officers with a perquisite allowance. During 2012, in an effort to simplify our compensation program, the Compensation Committee decided to terminate the payment of perquisite allowances for each of the executives, other than Mr. Fortunato, who was a Named Executive Officer at the time the perquisite allowances were terminated. Since Dr. Ramanathan was not yet a Named Executive Officer at this time, his perquisite allowance was not terminated and he continued to receive it as described below. The Committee raised the base salaries of Messrs. Nuzzo, Dowd and Stubenhofer by \$29,000, \$43,000 and \$21,500, respectively, to replace the perquisite allowances it terminated. The perquisite allowances were terminated and the salary increases took effect at the same time in 2012. The Compensation Committee also decided to provide Mr. Fortunato with an annual perquisite allowance of \$15,000 to be used for an automobile, and up to 25 hours per year of personal use of company aircraft, and Dr. Ramanathan with an annual perquisite allowance of \$29,450. Mr. Fortunato's and Dr. Ramanathan's perquisite allowances were paid in the form of a series of cash payments (paid semi-monthly) in lieu of in-kind perquisites, and neither executive was required to spend the cash payments or report to us how the amounts were used. We provided a perquisite allowance to Mr. Fortunato and Dr. Ramanathan to give each executive flexibility in determining how to spend his perquisite dollars and to reduce administrative costs that otherwise would be associated with tracking reimbursements for eligible perquisite expenditures. The Compensation Committee set the amounts of Mr. Fortunato's and Dr. Ramanathan's perquisites at levels it considered appropriate and competitive with the market.

Non-qualified Deferred Compensation Plan

We maintain the GNC Live Well Later Non-qualified Deferred Compensation Plan for the benefit of a select group of our highly compensated employees. Under the deferred compensation plan, certain eligible employees may elect to defer a portion of their future compensation under the deferred compensation plan by electing such deferral prior to the beginning of the calendar year during which the deferral amount would be earned. Mr. Dowd is the only Named Executive Officers who made contributions to the deferred compensation plan in 2012. For more information regarding the deferred compensation, please see Non-qualified Deferred Compensation for Our Fiscal Year ended December 31, 2012 below.

Employment Agreements

We have employment agreements with all of the Named Executive Officers. Each employment agreement provides that any incentive compensation payable to the Named Executive Officer will be subject to the clawback policies adopted or implemented by us, including in respect of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the regulations promulgated thereunder (*Dodd-Frank*). Please see Potential Payments Upon Termination or Change in Control below for more information regarding such employment agreements and termination and payments made in connection with a change in control. We will continue to determine appropriate employment agreement packages for the Named Executive Officers in a manner that we believe will attract and retain qualified executives.

Mr. Fortunato. Mr. Fortunato's employment agreement (the *Fortunato Agreement*) provides that Mr. Fortunato will serve as our Chief Executive Officer and President for a three-year term ending March 7, 2014, with automatic annual one-year renewals thereafter unless we

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or Mr. Fortunato provide at least one-year's advance notice of non-renewal. As neither we nor Mr. Fortunato provided notice of non-renewal on or prior to March 7, 2013, the Fortunato Agreement has been extended until March 7, 2015.

Messrs. Nuzzo, Dowd and Stubenhofer and Dr. Ramanathan. In February and March 2012, we entered into amended and restated employment agreements with Messrs. Nuzzo, Dowd and Stubenhofer and Dr. Ramanathan. Each agreement is for a two-year term ending in February 2014, with automatic annual one-year renewals thereafter unless we or the executive provide at least 30 days' advance notice of non-renewal.

Impact of Accounting and Tax Considerations

As a general matter, the Compensation Committee reviews and considers the various tax and accounting implications of the compensation vehicles we utilize.

Section 162(m) of the Internal Revenue Code generally disallows public companies a tax deduction for compensation in excess of \$1,000,000 paid to their chief executive officer and their three other most highly compensated executive officers (excluding the chief financial officer) unless certain performance and other requirements are met. The 2011 Stock Plan is intended to constitute a plan described in Treasury Regulation Section 1.162-27(f)(1), pursuant to which the deduction limits under Section 162(m) of the Internal Revenue Code do not apply during the applicable reliance period. In general, the reliance period ends upon the earliest of: (i) the expiration of the 2011 Stock Plan (i.e., 10 years after the date the 2011 Stock Plan was approved by our stockholders); (ii) the material modification of the 2011 Stock Plan; (iii) the issuance of all available stock under the 2011 Stock Plan; or (iv) the first stockholder meeting at which directors are to be elected that occurs after December 31, 2013.

Our intent generally is to design and administer executive compensation programs in a manner that will preserve the deductibility of compensation paid to our executives, and we believe that a substantial portion of our current executive compensation program (including the annual incentive program and the long-term incentive awards that may be granted under the 2011 Stock Plan pursuant to the transition rule described above) satisfies the requirements for exemption from the \$1,000,000 deduction limitation. However, we reserve the right to design programs that recognize a full range of performance criteria important to our success, even where the compensation paid under such programs may not be deductible. The Compensation Committee will continue to monitor the tax and other consequences of our executive compensation program as part of its primary objective of ensuring that compensation paid to our executives is reasonable, performance-based and consistent with our goals and the goals of our stockholders.

Executive Stock Ownership Guidelines

We believe that, to align the long-term financial interests of our executive officers with those of our stockholders, our executives should hold a financial stake in the Company. The Board adopted a policy in December 2011 (revised in October 2012) requiring our Chief Executive Officer and other executive officers to own stock in the Company equal to a minimum of six times and two times, respectively, of such executive officer's annual base salary (the Executive Stock Ownership Guidelines). The Executive Stock Ownership Guidelines provide that our executive officers have five years from the date of adoption of the Executive Stock Ownership Guidelines or, with respect to newly appointed executive officers, five years from the date of their appointment, to comply with the Executive Stock Ownership Guidelines, and should retain at least 50% of all after-tax shares owned by or underlying equity awards granted to the executive officers after December 11, 2012 until the ownership

thresholds are met. The Compensation Committee will evaluate whether exceptions should be made for any executive officer on whom this requirement would impose a financial hardship or for other appropriate reasons as determined by the Compensation Committee. For the purposes of the Executive Stock Ownership Guidelines, stock includes (i) directly held shares of our Common Stock, (ii) shares of unvested restricted stock or restricted stock units (other than unvested shares of performance-vested restricted stock or unvested performance-vested restricted stock units) and (iii) vested shares of our Common Stock held in any plan qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended.

Policy on Hedging and Pledging of Company Stock

Our directors and executives, including our Named Executive Officers, are prohibited from (i) within six months after purchasing any Company securities, selling any Company securities of the same class, (ii) selling the Company's securities short, (iii) buying or selling puts or calls or other derivative securities on the Company's securities, (iv) holding Company securities in a margin account or pledging Company securities as collateral for a loan or (v) entering into hedging or monetization transactions or similar arrangements with respect to Company securities, in each case unless advance approval is obtained from the Company's Chief Legal Officer and from the General Counsel, Corporate Affairs and International.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in these proxy materials. Based on the Compensation Committee's review of and the discussions with management with respect to the Compensation Discussion and Analysis, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in these proxy materials and incorporated by reference in the Annual Report for filing with the SEC.

The foregoing report is provided by the following directors, who constitute the Compensation Committee:

COMPENSATION COMMITTEE
Richard J. Wallace (Chairperson)
Jeffrey P. Berger
Amy B. Lane
Philip E. Mallott

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The following table sets forth information concerning compensation we paid to the Named Executive Officers for services rendered in all capacities to us during our last three fiscal years. In accordance with SEC rules, the compensation described in this table does not include the value of medical or group life insurance received by the Named Executive Officers that is available generally to all of our salaried employees. Only 2012 compensation is presented for Dr. Ramanathan since 2012 was his first year as a Named Executive Officer.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u> <u>(\$)</u>	<u>Bonus</u> <u>(\$)</u>	<u>Option</u> <u>Awards</u> <u>(\$)(1)</u>	<u>Stock</u> <u>Awards</u> <u>(\$)(2)</u>	<u>Non-Equity</u> <u>Incentive Plan</u> <u>Compensation</u> <u>(\$)(3)</u>	<u>All Other</u> <u>Compensation</u> <u>(\$)(4)</u>	<u>Total</u> <u>(\$)</u>
Joseph Fortunato Chairman of the Board, President and Chief Executive Officer	2012	1,049,039		843,750	1,687,500	1,680,000	161,505	5,421,794
	2011	983,192		4,763,673	487,963	1,327,310	50,564	7,612,702
	2010	886,000	100,000(5)			1,107,500	140,919	2,234,419
Michael M. Nuzzo Executive Vice President and Chief Financial Officer	2012	446,643		225,000	450,000	469,000	25,848	1,616,491
	2011	422,406		1,123,967	310,492	422,406	32,540	2,311,811
	2010	409,943(6)				409,943	32,540	852,426
Thomas Dowd Executive Vice President, Chief Merchandising Officer and General Manager	2012	450,762		250,000	500,000	483,000	36,737	1,720,499
	2011	398,317		1,285,750	379,337	425,000	46,660	2,535,064
	2010	351,177(6)				351,177	51,677	754,031
Gerald J. Stubenhofer, Jr. Senior Vice President, Chief Legal Officer and Secretary	2012	345,115		100,000	200,000	288,880	20,078	954,073
	2011	330,154		757,523	211,800	247,615	25,040	1,572,132
	2010	320,000				240,000	25,040	585,040
Guru Ramanathan Senior Vice President, Chief Innovation Officer	2012	322,107		75,000	150,000	257,120	33,110	837,337

- (1) Reflects the aggregate grant date fair value of option awards granted during each fiscal year, which has been computed in accordance with FASB ASC Topic 718. For the assumptions underlying the calculation of the aggregate grant date fair value, see Note 14, Stock-Based Compensation Plans, to our audited consolidated financial statements included in the Annual Report. The amounts may not correspond to the actual value that may be realized by such persons with respect to these awards.
- (2) Reflects the aggregate grant date fair value of time-vested restricted stock and RSU awards granted during each fiscal year, which has been computed in accordance with FASB ASC Topic 718. For the assumptions underlying the calculation of the aggregate grant date fair value, see Note 14, Stock-Based Compensation Plans, to our audited consolidated financial statements included in the Annual Report. The amounts may not correspond to the actual value that may be realized by such persons with respect to these awards.
- (3) Reflects cash incentive compensation as described above under Executive Compensation Elements of Compensation Annual Cash Incentive Compensation.
- (4) The components of All Other Compensation for our fiscal year ended December 31, 2012 are set forth in the following table:

<u>Named Executive Officer</u>	<u>Perquisites(a)</u> <u>(\$)</u>	<u>Imputed</u> <u>Value for Life</u> <u>Insurance</u> <u>Premiums</u> <u>(\$)</u>	<u>Total</u> <u>(\$)</u>
Joseph Fortunato	160,473	1,032	161,505

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Michael M. Nuzzo	25,608	240	25,848
Thomas Dowd	36,377	360	36,737
Gerald J. Stubenhofer, Jr.	19,838	240	20,078
Guru Ramanathan	32,750	360	33,110

(a) This column reflects the annual perquisite allowances for the Named Executive Officers for 2012 as follows: \$15,000 for Mr. Fortunato; \$22,308 for Mr. Nuzzo; \$33,077 for Mr. Dowd; \$16,538 for Mr. Stubenhofer; and \$29,450 for Dr. Ramanathan. For Messrs. Nuzzo, Dowd and Stubenhofer, these amounts reflect the amount of the perquisite allowance

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that was paid to each executive in 2012 prior to the termination of the perquisite allowance, as described above under Executive Compensation Elements of Compensation Benefits and Perquisites. This column also reflects the value of taxable parking benefits for each Named Executive Officer. For Mr. Fortunato only, this column also reflects the aggregate incremental cost of his 25 hours of personal use of corporate aircraft of \$127,037 and reimbursements made by the Company to him for life insurance premiums.

(5) Reflects, for 2010, a discretionary bonus awarded by the Compensation Committee paid to Mr. Fortunato based on his leading contribution to our financial performance in 2010.

(6) Includes payments of \$543 and \$1,177 to Messrs. Nuzzo and Dowd, respectively, as a result of retroactive salary increases for services performed by them during the period from December 6, 2009 to December 31, 2009.

Table of Contents**GRANTS OF PLAN BASED AWARDS FOR OUR FISCAL YEAR ENDED DECEMBER 31, 2012**

The following table sets forth information concerning awards under the 2011 Stock Plan and the 2012 Incentive Plan granted to each of the Named Executive Officers during our fiscal year ended December 31, 2012. Assumptions used in the calculation of certain dollar amounts are included in Note 14, Stock-Based Compensation Plans, to our audited consolidated financial statements included in the Annual Report.

<u>Name</u>	<u>Grant Date</u>	<u>Approval Date</u>	Estimated Possible Payouts under Non-equity Incentive Plan Awards(1)			All Other Stock Awards: Number of Shares of Stock or Units (#)(2)	All Other Option Awards: Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards \$(4)
			Threshold (\$)	Target (\$)	Maximum (\$)				
Joseph Fortunato	11/5/2012	10/17/2012				46,668			1,687,500
	11/5/2012	10/17/2012	262,500	840,000	1,680,000		75,134	36.16	843,750
Michael M. Nuzzo	11/5/2012	10/17/2012				12,445			450,000
	11/5/2012	10/17/2012	93,800	234,500	469,000		20,036	36.16	225,000
Thomas Dowd	11/5/2012	10/17/2012				13,827			500,000
	11/5/2012	10/17/2012	96,600	241,500	483,000		22,262	36.16	250,000
Gerald J. Stubenhofer, Jr.	11/5/2012	10/17/2012				5,531			200,000
	11/5/2012	10/17/2012	54,165	144,440	288,880		8,905	36.16	100,000
Guru Ramanathan	11/5/2012	10/17/2012				4,148			150,000
	11/5/2012	10/17/2012	48,210	128,560	257,120		6,679	36.16	75,000

- (1) The amounts represent the threshold, target and maximum payout amounts under the 2012 Incentive Plan. See Executive Compensation Elements of Compensation Annual Cash Incentive Compensation above for more information regarding the thresholds under the 2012 Incentive Plan. The actual amounts earned are reported in the Non-equity Incentive Plan Compensation column of the Summary Compensation Table.
- (2) Time-vested restricted stock unit awards made under the 2011 Stock Plan, which awards vest subject to continuing employment in three equal annual installments commencing on the first anniversary of the date of grant.
- (3) Time-vested stock option awards made under the 2011 Stock Plan, which vest subject to continuing employment in five equal annual installments commencing on the first anniversary of the date of grant.
- (4) Reflects the aggregate grant date fair value of the awards computed in accordance with FASB ASC Topic 718. For the assumptions underlying the calculation of the aggregate grant date fair value, see Note 14, Stock-Based Compensation Plans, to our audited consolidated financial statements included in the Annual Report. The amounts may not correspond to the actual value that may be realized by such persons with respect to these awards.

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The following table sets forth information regarding outstanding equity awards held by the Named Executive Officers under the 2007 Stock Plan and 2011 Stock Plan as of December 31, 2012.

<u>Name</u>	<u>Date of Grant</u>	<u>Option Awards</u> Number of Securities Underlying Unexercised Options(1)				<u>Stock Awards</u> Shares or Units of Stock that Have Not Vested(2)	
		<u>Exercisable</u>	<u>Unexercisable</u>	<u>Option Exercise Price (\$)</u>	<u>Option Expiration Date</u>	<u>Number</u>	<u>Market Value(3)</u>
Joseph Fortunato	3/16/2007	311,885		7.50	3/15/2017		
	3/31/2011	62,500	187,500	16.00	3/31/2021		
	3/31/2011	62,500	187,500	24.00	3/31/2021		
	12/12/2011	36,477	145,907	27.70	12/12/2018		
	12/12/2011					17,616	586,260
	11/5/2012		75,134	36.16	11/5/2019		
	11/5/2012					46,668	1,553,111
Michael M. Nuzzo	10/21/2008	30,000	30,000	7.70	10/21/2018		
	10/21/2008	30,000	30,000	11.55	10/21/2018		
	4/21/2011	18,750	75,000	18.82	4/21/2018		
	4/21/2011					10,016	333,332
	12/12/2011	9,120	36,476	27.70	12/12/2018		
	12/12/2011					4,404	146,565
	11/5/2012		20,036	36.16	11/5/2019		
11/5/2012					12,445	414,170	
Thomas Dowd	3/16/2007	35,409		5.00	3/15/2017		
	3/16/2007	87,044		7.50	3/15/2017		
	5/4/2007	27,956		7.50	5/4/2017		
	4/21/2011	18,750	75,000	18.82	4/21/2018		
	4/21/2011					10,016	333,332
	10/26/2011	3,451	13,804	25.10	10/26/2018		
	10/26/2011					2,745	91,354
	12/12/2011	9,120	36,476	27.70	12/12/2018		
	12/12/2011					4,404	146,565
	11/5/2012		22,262	36.16	11/5/2019		
	11/5/2012					13,827	460,163
Gerald J. Stubenhofer, Jr.	11/1/2007	12,500		5.00	11/1/2017		
	11/1/2007	12,500		7.50	11/1/2017		
	4/21/2011		60,000	18.82	4/21/2018		
	4/21/2011					8,013	266,673
	12/12/2011	4,560	18,238	27.70	12/12/2018		
	12/12/2011					2,202	73,283
	11/5/2012		8,905	36.16	11/5/2019		
11/5/2012					5,531	184,072	
Guru Ramanathan	2/4/2010		15,000	8.79			
	2/4/2010		15,000	13.18			
	4/21/2011		30,000	18.82	4/21/2018		
	4/21/2011					4,007	133,353
	12/12/2011	3,648	14,590	27.70	12/12/2018		
12/12/2011					1,762	58,639	

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11/5/2012	6,679	36.16	11/5/2019	4,148	138,045
11/5/2012					

(1) Time-vested stock option awards made under the 2007 Stock Plan and the 2011 Stock Plan, which awards vest subject to continuing employment, other than the stock options granted to Mr. Fortunato on March 16, 2007 and March 31, 2011 and the stock options granted on November 5, 2012, in five equal annual installments commencing on the first anniversary of the date of grant. For the stock options granted to Mr. Fortunato on March 16, 2007 and March 31, 2011 and the stock options granted on November 5, 2012, such stock options vest in four equal annual installments commencing on the first anniversary of the date of grant.

(2) Time-vested restricted stock and RSU awards made under the 2011 Stock Plan, which awards vest subject to continuing employment as follows: (i) the April 2011 and October 2011 restricted stock grants vest in three installments: 20% on the third anniversary of the date of grant, 30% on the fourth anniversary of the date of grant and 50% on the fifth anniversary of the date of grant; (ii) the December 2011 restricted stock grants vest in three installments: 30% on the third anniversary of the date of grant, 30% on the fourth anniversary of the date of grant and 40% on the fifth anniversary on the date of grant; and (iii) the November 2012 RSU awards vest in three substantially equal installments on the first, second and third anniversaries of the date of grant.

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(3) Market value is based on the closing price of our Common Stock of \$33.28 per share on December 31, 2012, the last trading day for our fiscal year ended December 31, 2012.

OPTION EXERCISES AND STOCK VESTED FOR OUR FISCAL YEAR ENDED DECEMBER 31, 2012

The following table sets forth information regarding the exercise of options by the Named Executive Officers for our fiscal year ended December 31, 2012. None of the shares of restricted stock or RSUs held by the Named Executive Officers vested during our fiscal year ended December 31, 2012.

<u>Name</u>	<u>Option Awards</u>		
	<u>Number of Shares Acquired</u>		<u>Value Realized on Exercise(1)</u> <u>(\$)</u>
Joseph Fortunato	1,585,000		43,630,094
Michael M. Nuzzo	156,926		3,944,530
Thomas Dowd	228,692		6,617,638
Gerald J. Stubenhofer, Jr.	93,943		2,381,709
Guru Ramanathan	159,050		4,193,817

(1) Calculated by determining the difference between the market price at exercise and the exercise price of the stock options.

NON-QUALIFIED DEFERRED COMPENSATION FOR OUR FISCAL YEAR ENDED DECEMBER 31, 2012

We maintain the GNC Live Well Later Non-qualified Deferred Compensation Plan for the benefit of a select group of our highly compensated executives. Under the deferred compensation plan, employees may elect to defer a portion of their future compensation until a specified future year, or until retirement. We may in our discretion elect to make a matching contribution to the plan for a calendar year, based on amounts deferred by participants for that year. Participants may select the investment fund or funds in which such deferred amounts are deemed to be invested for the purpose of crediting deferrals with investment gains and losses.

Mr. Dowd is the only Named Executive Officer who participated in the deferred compensation plan in 2012. The following table identifies his contributions, our contributions, the aggregate earnings and withdrawals in 2012 and the aggregate balance as of December 31, 2012.

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<u>Name</u>	Executive Contributions in Last Fiscal Year (\$)(1)	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last Fiscal Year End (\$)
Thomas Dowd	87,576		4,563		316,213(2)

(1) The amounts reported in this column reflect deferrals under the GNC Live Well Later Non-qualified Deferred Compensation Plan of base salary earned by and paid to Mr. Dowd for our fiscal year ended December 31, 2012 and reported as salary in the Summary Compensation Table.

(2) The amount reported includes previously earned, but deferred, salary and bonus that were reported in our Summary Compensation Table in previous years as follows: (i) \$74,949 in 2011 and (ii) \$35,118 in 2010.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The termination and change in control arrangements for the Named Executive Officers and other senior executives are generally governed by form employment agreements. As such, these arrangements generally are uniform and not highly negotiated. The amounts payable in connection with termination and change in control events are tied to our executives' respective base salaries and cash incentive compensation awards, and therefore are proportionately higher for the more senior and highly compensated executives. Similarly, the termination and change in control arrangements for Mr. Fortunato provide for higher payments than those for other executives. The termination provisions, which provide for lump sum payments of salary and cash incentive compensation, and in some instances, acceleration of the vesting of stock-based awards, are or were, as applicable, designed to preserve the value of the long-term compensation arrangements for Mr. Fortunato to ensure the continued alignment of his long-term financial interests with those of our stockholders.

The Compensation Committee does not generally consider the amounts payable in connection with termination and change in control events when establishing the compensation of the Named Executive Officers. The Compensation Committee, together with the Board, established the termination and change of control arrangements described herein to address and conform to our overall compensation objectives in attracting and retaining the caliber of executives that are integral to our growth: market competitiveness; maintaining management continuity, particularly through periods of uncertainty related to change in control events; providing our key personnel with the assurance of fair and equitable treatment following a change in control and other events; and ensuring that management is held to high standards of integrity and performance.

The following is a summary of the termination and change of control provisions in the employment agreement of each of the Named Executive Officers as of December 31, 2012. As discussed above under Executive Compensation Elements of Compensation Employment Agreements, in February 2012, we entered into amended and restated employment agreements with Messrs. Nuzzo, Dowd and Stubenhofer and Dr. Ramanathan.

Mr. Fortunato

Upon Mr. Fortunato's termination due to death or total disability, we will be required to pay to him (or his guardian or personal representative):

- a lump sum equal to his base salary; and
- a prorated share of the annual bonus he would have received had he worked the full year, provided bonus targets are met for such year.

We will also pay the monthly cost of COBRA coverage for Mr. Fortunato and his eligible dependents to the same extent we paid for such coverage prior to the termination date for the period permitted by COBRA or, in the case of disability, until Mr. Fortunato obtains other employment offering substantially similar or improved group health benefits, if earlier. In addition, Mr. Fortunato's outstanding stock options will vest and restrictions on restricted stock awards will lapse as of the date of termination, in each case, to the extent that vesting or lapse would have occurred if he had continued employment during the calendar year in which termination occurs and for the year following such termination.

If Mr. Fortunato's employment is terminated without cause, he resigns for good reason (as defined in the Fortunato Agreement and summarized below) or we decline to renew the employment term for reasons other than those that would constitute cause (as defined in the Fortunato Agreement and summarized below) after the initial three-year employment term, then, subject to Mr. Fortunato's execution of a release, we will be required to pay him:

- a lump sum payment in the amount of two times his base salary; and
- a lump sum payment in the amount of two times his average annual bonus paid or payable with respect to the most recent three fiscal years.

We will also pay the monthly cost of COBRA coverage for Mr. Fortunato to the same extent we paid for such coverage prior to the termination date for the period permitted by COBRA or until Mr. Fortunato obtains other employment offering substantially similar or improved group health benefits, if earlier. In addition, Mr. Fortunato's outstanding stock options will vest and restrictions on restricted stock awards will lapse if they would have otherwise done so in the 24 months following the termination date had Mr. Fortunato continued to be employed.

If such termination occurs in anticipation of or during the two-year period following a change in control or during the two year period following consummation of the IPO, the multiple of base salary and average annual bonus will increase from two times to three times. A termination of Mr. Fortunato's employment will be deemed to have been in anticipation of a change in control if such termination occurs at any time from and after the period beginning six months prior to a change in control and such termination occurs (i) after we enter into a definitive agreement that provides for a change in control or (ii) at the request of an unrelated third-party who has taken steps reasonably calculated to effect a change in control.

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Under the Fortunato Agreement, *cause* generally means any of the following events as determined in good faith by a two-thirds vote of the Board, Mr. Fortunato:

- conviction of, or plea of *nolo contendere* to, a crime which constitutes a felony;
- willful disloyalty or deliberate dishonesty with respect to us or General Nutrition Centers, Inc. (Centers) that is injurious to our or Centers financial condition, business or reputation;
- commission of an act of fraud or embezzlement against us or Centers;
- material breach of any provision of the agreement or any other written contract or agreement with us or Centers that is not cured; or
- willful and continued failure to materially perform his duties or his continued failure to substantially perform duties requested or prescribed by the Board or Centers board of directors which is not cured.

Under the Fortunato Agreement, *good reason* generally means, without Mr. Fortunato's consent:

- our failure to comply with any material provision of the agreement which is not timely cured;
- a material adverse change in his responsibilities, duties or authority which, in the aggregate, causes his positions to have less responsibility or authority;
- removal from his current positions or failure to elect (or appoint) him to, or removal of him from the Board or Centers board of directors;
- a material reduction in his base salary; or
- a relocation of his principal place of business of more than 75 miles.

Under the Fortunato Agreement, *change in control* generally means:

- an acquisition representing 50% or more of either our Common Stock or the combined voting power of our securities entitled to vote generally in the election of the Board;
- a change in two-thirds of the members of the Board from the members on the effective date of the agreement, unless approved by (i) two-thirds of the members of the Board on the effective date of the agreement or (ii) members nominated by such members;
- the approval by our stockholders of (i) a complete liquidation or dissolution of Centers or us or (ii) the sale or other disposition (other than a merger or consolidation) of all or substantially all of our or our subsidiaries' assets; or

- Centers ceases to be our direct or indirect wholly owned subsidiary.

Messrs. Nuzzo, Dowd and Stubenhofer and Dr. Ramanathan

The employment agreements of Messrs. Nuzzo, Dowd and Stubenhofer and Dr. Ramanathan also provide for certain benefits upon termination of employment. Upon death or disability, the executives (or their estates) are entitled to their current base salary for the remainder of the employment period, and, subject to the discretion of the Board or the Compensation Committee, a pro rata share of the current year annual bonus based on actual employment, provided bonus targets are met. The employment period is the two-year period from the initial effective date (February 29, 2012) and one-year periods ending February 28 thereafter. Upon termination of employment by us without cause or voluntarily by the executive for good reason, subject to the execution of a written release, the executive is also entitled to:

- salary continuation generally for the greater of one year or the remainder of the agreement, or two years if the termination occurs upon or within six months following a change in control;
- subject to the discretion of the Board or the Compensation Committee, a pro rata share of the annual bonus based on actual employment and achievement of performance objectives; and
- reimbursement for any portion of the monthly cost of COBRA coverage that exceeds the amount of monthly health insurance premium (with respect to the executive's coverage and any eligible dependent coverage) payable by the executive immediately prior to such termination, such reimbursements to continue through the expiration of the agreement term or the severance period, if earlier.

For purposes of the employment agreements, cause generally means the executive's:

- failure to comply with any material obligation imposed by his employment agreement;
- being indicted for any felony or any misdemeanor that causes or is likely to cause harm or embarrassment to us, in the reasonable judgment of the Board;
- theft, embezzlement or fraud in connection with the performance of duties;
- engaging in any activity that gives rise to a material conflict of interest with us;

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- misappropriation by the executive of any of our material business opportunities;
- any failure to comply with, observe or carry out our or the Board's rules, regulations, policies or codes of ethics or conduct;
- substance abuse or illegal use of drugs that, in the reasonable judgment of the Board, impairs the executive's performance or causes or is likely to cause harm or embarrassment to us; or
- engagement in conduct that the executive knows or should know is injurious to us.

For purposes of the employment agreements, "good reason" generally means, without the executive's prior written consent, and unless we timely cure the good reason:

- our failure to comply with material obligations under his employment agreement; or
- a material reduction in the executive's base salary.

For purposes of the employment agreements, "change in control" generally means:

- an acquisition representing 50% or more of either our Common Stock or the combined voting power of our securities entitled to vote generally in the election of the Board; or
- the approval by our stockholders of (i) a complete liquidation or dissolution of us or Centers or (ii) the sale or other disposition (other than a merger or consolidation) of all or substantially all of our or our subsidiaries' assets.

Under all circumstances, Messrs. Nuzzo's, Dowd's and Stubenhofer's and Dr. Ramanathan's unvested equity awards will be forfeited as of the date of the executive's termination unless otherwise provided in the award agreement.

The following tables quantify the estimated payments and benefits that the Named Executive Officers would have received if their employment had terminated on December 31, 2012 under the circumstances shown or if we had undergone a change in control on such date. The tables exclude (i) compensation amounts accrued through December 31, 2012 that would be paid in the normal course of continued employment, such as accrued but unpaid salary, and (ii) vested account balances under our 401(k) plan that are generally available to all of our salaried employees. The amounts reflected for the prorated annual cash incentive compensation payable under the various termination scenarios and referred to as "Pro Rata Bonus" for each of the Named Executive Officers are the amounts that were actually paid to the Named Executive Officers in early 2013 under the 2012 Incentive Plan and shown in the Summary Compensation Table.

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Where applicable, the information in the tables uses a fair market value per share of \$33.28 as of December 31, 2012 for our Common Stock, which is equal to the closing price of our Common Stock on December 31, 2012.

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<u>Benefit</u>	Termination w/o Cause or for Good Reason or Non-renewal of the Agreement (\$)	Termination w/o Cause or for Good Reason w/in 2 Years After, or in anticipation of, a Change in Control (\$)	Death or Disability (\$)	Change in Control (\$)
Lump Sum Base Salary	2,100,000	3,150,000	1,050,000	
Lump Sum Annual Incentive Compensation	3,360,000	5,040,000		
Pro Rata Bonus	1,680,000	1,680,000	1,680,000	
Health & Welfare Benefits	9,195	9,195	9,195	
Accelerated Vesting of Stock Options & Restricted Stock	5,040,137	7,882,649	2,432,129	7,882,649
Net Value	12,189,332	17,761,844	5,171,324	7,882,649

Mr. Nuzzo

<u>Benefit</u>	Termination w/o Cause or for Good Reason (\$)	Termination w/o Cause or for Good Reason w/in 6 Months After a Change in Control (\$)	Death or Disability (\$)
Base Salary Continuation	547,167	938,000	547,167
Pro Rata Bonus	469,000	469,000	469,000
Health & Welfare Benefits	9,240	15,841	
Net Value	1,025,407	1,422,841	1,016,167

Mr. Dowd

Death or Disability

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<u>Benefit</u>	Termination w/o Cause or for Good Reason	Termination w/o Cause or for Good Reason w/in 6 Months After a Change in Control	
	(\$)	(\$)	(\$)
Base Salary Continuation	563,500	966,000	563,500
Pro Rata Bonus	483,000	483,000	483,000
Health & Welfare Benefits	7,152	12,260	
Net Value	1,053,652	1,461,260	1,046,500

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<u>Benefit</u>	Termination w/o Cause or for Good Reason (\$)	Termination w/o Cause or for Good Reason w/in 6 Months After a Change in Control (\$)	Death or Disability (\$)
Base Salary Continuation	421,283	722,200	421,283
Pro Rata Bonus	288,880	288,880	288,880
Health & Welfare Benefits	7,152	12,260	
Net Value	717,315	1,023,340	710,163

Dr. Ramanathan

<u>Benefit</u>	Termination w/o Cause or for Good Reason (\$)	Termination w/o Cause or for Good Reason w/in 6 Months After a Change in Control (\$)	Death or Disability (\$)
Base Salary Continuation	374,967	642,800	374,967
Pro Rata Bonus	257,120	257,120	257,120
Health & Welfare Benefits	7,152	12,260	
Net Value	639,239		