

Court File No. CV-20-00642970-00CL

**GNC Holdings, Inc.,
General Nutrition Centres Company *et al***

FIFTH REPORT OF THE INFORMATION OFFICER

October 14, 2020

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,
AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF GNC HOLDINGS, INC., GENERAL NUTRITION
CENTRES COMPANY, GNC PARENT LLC, GNC CORPORATION,
GENERAL NUTRITION CENTERS, INC., GENERAL NUTRITION
CORPORATION, GENERAL NUTRITION INVESTMENT COMPANY,
LUCKY OLDSCO CORPORATION, GNC FUNDING INC., GNC
INTERNATIONAL HOLDINGS INC., GNC CHINA HOLDSCO, LLC, GNC
HEADQUARTERS LLC, GUSTINE SIXTH AVENUE ASSOCIATES,
LTD., GNC CANADA HOLDINGS, INC., GNC GOVERNMENT
SERVICES, LLC, GNC PUERTO RICO HOLDINGS, INC. AND
GNC PUERTO RICO, LLC

APPLICATION OF GNC HOLDINGS, INC., UNDER SECTION 46 OF
THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

**FIFTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS INFORMATION OFFICER**

INTRODUCTION

1. GNC Holdings, Inc. ("**GNC Holdings**"), an entity registered in the state of Delaware, is the ultimate parent of General Nutrition Centres Company ("**GNC Canada**"). GNC Holdings is also the ultimate parent for those entities listed in **Appendix A** hereto (collectively, with GNC Holdings and GNC Canada, the "**Debtors**"). On June 23, 2020 (the "**Petition Date**"), the Debtors commenced cases under Chapter 11 of the United States Bankruptcy Code (the "**Chapter 11 Cases**") in the U.S. Bankruptcy Court in Delaware (the "**U.S. Court**").

2. On June 24, 2020, GNC Holdings in its capacity as the proposed foreign representative of the Debtors in respect of the Chapter 11 Cases filed an application (the “**Recognition Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) to the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) for:
 - (a) An interim order (Foreign Main Proceeding) granting a stay of proceedings against the Debtors (the “**Interim Stay Order**”);
 - (b) An initial recognition order (the “**Initial Recognition Order**”) recognizing the Chapter 11 Cases and granting, *inter alia*, a stay of proceedings against the Debtors;
 - (c) A supplemental recognition order (the “**Supplemental Order**”) seeking certain relief including the recognition of various orders issued in the Chapter 11 Cases and the appointment of FTI Consulting Canada Inc. (“**FTI Canada**”) as Information Officer (in such capacity, the “**Information Officer**”); and
 - (d) An order (the “**Consulting Agreement Approval Order**”) approving the consulting agreement (the “**Consulting Agreement**”) entered into between GNC Canada and a joint venture comprised of Tiger Asset Solutions Canada, ULC and GA Retail Canada ULC (collectively, the “**Canada Consultant**”).
3. The Interim Stay Order was granted on June 24, 2020. Pursuant to the Interim Stay Order, FTI Consulting Canada Inc. (“**FTI Canada**”), in its capacity as the proposed Information Officer (at that time), established a case website for the Recognition Proceedings at <http://cfcanada.fticonsulting.com/GNCC> (the “**Canada Case Website**”).

4. On June 25, 2020 and June 26, 2020, the U.S. Court granted the First Day Orders to permit the Debtors to continue to operate their business in the ordinary course and to advance their proposed reorganization. The First Day Orders included the Foreign Representative Order, the Interim DIP Order, the Interim Cash Management Order, the Interim Store Closing Order, and the Interim Wages Order, each as defined in the Pre-Filing Report of the Proposed Information Officer dated June 28, 2020 (the “**Pre-Filing Report**”). The U.S. Court also issued an order consolidating the administration of the Chapter 11 Cases for procedural purposes only under Case No. 20-11662.
5. All publicly available information filed in the Chapter 11 Cases is available at <https://cases.primeclerk.com/gnc> (the “**U.S. Case Website**”).
6. On June 29, 2020, the Honourable Madam Justice Conway of the Canadian Court granted:
 - (a) The Initial Recognition Order, *inter alia*, declaring that GNC Holdings is a “foreign representative” as defined in section 45 of the CCAA (the “**Foreign Representative**”), that the centre of main interests for each of the Debtors is the United States of America and recognizing the Chapter 11 Cases as a “foreign main proceeding”;
 - (b) The Supplemental Order, *inter alia*, recognizing several of the First Day Orders, appointing FTI Canada as information officer (the “**Information Officer**”), granting a stay of proceedings against the Debtors and granting a super-priority charge (the “**DIP Lenders’ Charges**”) on the Debtors’ property in Canada for the benefit of GLAS Trust Company LLC, as administrative collateral agent for and on behalf of itself and the other lenders party thereto (the “**DIP Term Lenders**”), and JP Morgan Chase N.A. as administrative agent and collateral agent for an on behalf of themselves and the other lenders party thereto (the “**DIP ABL FILO Lenders**”, and collectively with the DIP Term Lenders, the “**DIP Lenders**”); and

- (c) The Consulting Agreement Approval Order, *inter alia*, recognizing the Interim Store Closing Order in the Chapter 11 Cases, approving the Consulting Agreement and approving and authorizing the Debtors to conduct the going-out-of-business sale process in Canada (the “**GOB Sale**”) in accordance with the Interim Store Closing Order, the Canadian Store Closing Procedures, the Canadian Sale Guidelines (as defined in the Interim Store Closing Order) and the Consulting Agreement.
7. As described in the First Report of the Information Officer dated July 24, 2020 (the “**First Report**”), various orders were entered by the U.S. Court on July 20, July 21, and July 22, 2020 (the “**Second Day Orders**”).
 8. On July 27, 2020, the Honourable Madam Justice Gilmore of the Canadian Court granted an Order (the “**Second Day Recognition Order**”) recognizing certain of the Second Day Orders, including the Final DIP Order, the Bar Date Order and the Bidding Procedures Order.
 9. On August 25, 2020, the Honourable Madam Justice Conway of the Canadian Court granted an Order (the “**August 25 Recognition Order**”) recognizing certain additional Orders that had been entered by the U.S. Court, including the Disclosure Statement Order and the Stalking Horse and Bid Protections Approval Order.
 10. On September 22, 2020, the Honourable Madam Justice Conway of the Canadian Court granted an Order (the “**September 22 Recognition Order**”) recognizing the following additional Orders that had been entered by the U.S. Court:
 - (a) The U.S. Sale Order, *inter alia*:
 - (i) Authorizing the sale of substantially all of the Debtors’ assets free and clear of all claims, liens, liabilities, rights, interests and encumbrances; and

- (ii) Authorizing the assumption and assignment of certain of the Debtors' executory contracts and unexpired leases; and
 - (b) The Thirteenth Omnibus Lease Rejection Order, *inter alia*, authorizing rejection of certain unexpired leases effective as of August 31, 2020.
11. On September 30, 2020, the Honourable Madam Justice Conway of the Canadian Court granted an Order (the "**September 30 Recognition Order**") recognizing the 29th Lease Assumption Order, the 30th Lease Assumption Order, the 31st Lease Assumption Order, the 32nd Lease Assumption Order and the 33rd Lease Assumption Order.
12. The purpose of this, the Fifth Report of the Information Officer (the "**Report**"), is to provide information to the Canadian Court with respect to the following:
- (a) GNC Canada's actual receipts and disbursements for the period from September 6 to October 3, 2020;
 - (b) Events in the Chapter 11 Cases since the date of the Information Officer's Third Report;
 - (c) The Foreign Representative's request for an Order (the "**October 16 Recognition Order**") recognizing the following Orders (each as defined later in this Report) granted by the U.S. Court, and the Information Officer's recommendations thereon:
 - (i) The Plan Confirmation Order;
 - (ii) The Thirty-Fourth Assumption and Assignment Order;
 - (iii) The Thirty-Fifth Assumption and Assignment Order;
 - (iv) The Thirty-Sixth Lease Rejection Order;
 - (v) The Thirty-Seventh Lease Rejection Order;

- (vi) The Thirty-Eighth Lease Rejection Order;
 - (vii) The Case Caption Order;
 - (viii) The Corrected Thirty-First Assumption and Assignment Order;
 - (ix) The First Omnibus Objection Order;
 - (x) The Lease Extension Order;
 - (xi) The Global Settlement Order; and
 - (xii) The Litigation Removal Extension Order;
- (d) The Foreign Representative's request for an Order releasing and discharging the DIP Lenders' Charges.

TERMS OF REFERENCE

13. In preparing this Report, the Information Officer has relied upon unaudited financial information of the Debtors, the Debtors' books and records, certain financial information prepared by the Debtors and discussions with various parties, including the Canada Consultant and other various legal, financial, and other advisors to the Debtors (collectively, the "**Information**").
14. Except as described in this Report:
- (a) The Information Officer has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

- (b) The Information Officer has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
15. The Information Officer has prepared this Report in connection with the Debtors' motion for the granting of the October 16 Recognition Order, which is scheduled to be heard on Friday, October 16, 2020, and this Report should not be relied on for any other purposes.
 16. Future oriented financial information reported or relied on in preparing this Report is based on the assumptions of management of the Debtors ("**Management**") regarding future events; actual results may vary from forecast and such variations may be material.
 17. Unless otherwise stated, all monetary amounts contained herein are expressed in **United States Dollars**. Capitalized terms not otherwise defined herein have the meanings defined in the Initial Tolivar Affidavit, the U.S. First Day Declarations, the Pre-Filing Report or previous Reports of the Information Officer.

EXECUTIVE SUMMARY

18. In summary, for the reasons set out in this Report, the Information Officer is of the view that:
 - (a) There is no aspect of the Plan that is not in compliance with statutory requirements of the CCAA, and GNC Canada has adhered to previous orders of the Court made in the Recognition Proceedings;
 - (b) Nothing has been done or purported to be done that is not authorized by the CCAA;
 - (c) The Plan is fair and reasonable;
 - (d) Recognition of the Plan Confirmation Order by the Canadian Court is appropriate in the circumstances; and

- (e) Recognition of the Thirty-Fourth Assumption and Assignment Order, the Thirty-Fifth Assumption and Assignment Order, the Thirty-Sixth Lease Rejection Order, the Thirty-Seventh Lease Rejection Order, the Thirty-Eighth Lease Rejection Order, the Case Caption Order, the Corrected Thirty-First Assumption and Assignment Order, the First Omnibus Objection Order, the Lease Extension Order, the Global Settlement Order, and the Litigation Removal Extension Order is appropriate in the circumstances.
19. Accordingly, the Information Officer respectfully recommends that the Foreign Representative's request for the October 16 Recognition Order be granted by this Honourable Court.
20. As the DIP Financing has been repaid and no further borrowing is required, the Information Officer is of the view that the release and discharge of the DIP Lender's Charges is appropriate in the circumstances.

RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO OCTOBER 3, 2020

21. GNC Canada's actual net cash flow for the period from September 6 to October 3, 2020 was approximately \$1.2 million lower than the July 20 Forecast as summarized below:

	Forecast	Actual	Variance
	US\$000	US\$000	US\$000
Receipts	3,864	3,644	(220)
Operating Disbursements			
Merchandise Vendors	(704)	(786)	(82)
Non-Merchandise Vendors	(363)	(294)	69
Payroll & Employee Related Disbursements	(962)	(733)	229
Occupancy Disbursements	(319)	(721)	(402)
Sales Taxes	(254)	(1,001)	(747)
Capital Expenditures	(6)	0	6
Corporate and Other Disbursements	(60)	(8)	52
Total Operating Disbursements	(2,668)	(3,543)	(875)
Net Operating Cash Flow	1,196	101	(1,095)
Professional Fees	(140)	(225)	(85)
Liquidation Disbursements	(101)	(104)	(3)
Net Cash Flow	955	(228)	(1,183)
Cash, opening balance	1,607	7,966	6,359
Net Cash Flow	955	(228)	(1,183)
Cash Transfers from/(To) GNC US	0	0	0
Cash, ending balance	2,562	7,738	5,176

22. Explanations for the key variances in actual receipts and disbursements as compared to the July 20 Forecast are as follows:

- (a) The unfavourable variance of approximately \$0.2 million in receipts is comprised of the following:
 - (i) An unfavourable variance of approximately \$0.4 million in receipts at GOB Stores resulting from a combination of lower than forecast sales volume in certain weeks and higher than forecast discounting during the period than the July 20 Forecast had contemplated; and
 - (ii) A favourable variance of approximately \$0.2 million at stores that are not in the GOB Sale due to higher than forecast sales volume;

- (b) The unfavourable variance of \$0.1 million for merchandise vendors is due to higher than forecast inventory purchases during the period, which are offset by the positive timing variances noted in prior periods;
- (c) The favourable variance of \$0.1 million for non-merchandise vendors is due to lower than forecast advertising disbursements of \$0.1 million;
- (d) The favourable variance of \$0.2 million for payroll and employee related disbursements is due to lower than forecast payroll and benefits disbursements during the period of \$0.1 million, and lower than forecast vacation pay disbursements made to terminated employees during the period of \$0.1 million.
- (e) The unfavourable variance of \$0.4 million for occupancy disbursements is primarily due to the payment of October rent for 29 retail store locations, which were not forecast to be paid in the July 20 Forecast. A going out of business sale was being conducted at each of these stores that ended prior to the close of business on September 30, 2020 pursuant to the Consulting Agreement Approval Order granted by the Canadian Court; however, GNC Canada required additional time to exit these stores in an orderly fashion which necessitated disbursement of the October rent payments;
- (f) The unfavourable variance of \$0.7 million for sales taxes is due to the payment of two sales tax reassessments totalling \$0.7 million that were identified by GNC Canada in September, and accordingly were not forecast in the July 20 Forecast;
- (g) The unfavourable variance of approximately \$0.1 million in professional fees is due to higher than forecast professional fee disbursements being made during the period, which are offset by the positive timing variances noted in prior periods; and
- (h) The explanations for the favourable variance in opening cash were provided at paragraph 19 of the Third Report.

EVENTS IN THE CHAPTER 11 CASES SINCE THE THIRD REPORT

EXTENSION OF DEADLINE TO ASSUME OR REJECT UNEXPIRED LEASES

23. On September 21, 2020, the Debtors filed a motion for an order (the “**Lease Extension Order**”) pursuant to section 365(d)(4) of the Bankruptcy Code extending the deadline by which the Debtors must assume or reject remaining unexpired leases on non-residential real property until the earlier of:
- (a) January 19, 2021, representing a 90-day extension past the initial 120-day statutory period expiring on October 21, 2020; or
 - (b) The date of entry of the Plan Confirmation Order.
24. The Lease Extension Order is discussed in further detail below.

OMNIBUS OBJECTION MOTIONS

25. On September 23, 2020, the Debtors filed a motion seeking an Order sustaining Debtors’ first omnibus objection to proofs of claim solely for purposes of voting on the Plan (the “**Proposed First Omnibus Objection Order**”). The Debtors sought to temporarily allow each Claim in the amount of \$1.00 General Unsecured Claims for plaintiffs that asserted litigation claims against the Debtors solely for the purposes of voting on the Plan, without prejudice to the determination of such claims for distribution purposes. The Proposed First Omnibus Objection Order is discussed in further detail below.
26. On October 1, 2020, the Debtors filed a motion (the “**Second Omnibus Objection Motion**”) seeking an Order sustaining the Debtors’ second omnibus (non-substantive) objection to certain duplicate claims. The Debtors have determined that certain claims noted on the register of claims (the “**Claims Register**”) are exact duplicates of proofs of claim filed by or on behalf of the same Claimant with respect to the same liabilities (the “**Duplicate Claims**”). Accordingly, the Debtors are seeking to have such Duplicate Claims disallowed. A hearing for the Second Omnibus Objection Motion has been scheduled for November 18, 2020 at 2:00 p.m.

27. On October 1, 2020, the Debtors filed three motions (the “**Third Omnibus Objection Motion**,” the “**Fourth Omnibus Objection Motion**,” and the “**Fifth Omnibus Objection Motion**”, collectively, the “**Wrong Debtor Objection Motions**”) seeking an Order sustaining the Debtors’ third, fourth, and fifth omnibus (non-substantive) objections to certain claims filed against the wrong Debtor. The Debtors have determined that liability for the claims identified in the Wrong Debtor Objection Motions resides against a different Debtor. The Debtors are seeking to modify such claims so that they reside with the correct Debtor to ensure Claimants receive the appropriate distributions under the Plan. A hearing for the Wrong Debtor Objection Motions has been scheduled for November 18, 2020 at 2:00 p.m.

THE GLOBAL SETTLEMENT

28. As outlined in the Third Report, the Debtors reached the terms of a settlement (the “**Global Settlement**”) forming the basis for a fully consensual Plan supported by all of the Debtors’ key creditor constituencies.
29. On September 22, 2020, the Debtors filed a motion (the “**Global Settlement Motion**”) for an Order (the “**Global Settlement Order**”) approving the Global Settlement, the Stalking Horse Agreement Amendment, and the Plan Support Agreement.
30. On October 9, 2020, the Ad Hoc Group of Crossover Lenders and the FILO Ad Hoc Group filed statements in support of confirmation of the Plan.
31. The Global Settlement and Global Settlement Order are described in further detail below.

FURTHER AMENDMENT TO THE STALKING HORSE AGREEMENT

32. On September 17, 2020, the U.S. Court granted the Sale Order, which approved the Stalking Horse Agreement as amended. The Sale Order permits the Debtors to further amend the Stalking Horse Agreement provided that such amendment does not have a material adverse effect on the Debtors’ estates or their creditors.

33. On October 7, 2020, the Debtors entered into the Fifth Amendment to the Stalking Horse Agreement (the “**Fifth Amendment**”). The Fifth Amendment includes the following key amendments:
- (a) Additional Purchased Asset: The inclusion as a Purchased Asset of royalty payments required to be made with respect to the right to use the GNC Names and Marks by counterparties to Contracts of the Selling Entities that are rejected in the Bankruptcy Case, to the extent such rights were retained by counterparties;
 - (b) Contracts Not Being Assumed: The removal of a total of sixteen (16) Contracts as noted in Appendix A to the Fifth Amendment from Section 2.1(e) and 2.1(f) of the Seller Disclosure resulting in the specified Contracts not being Assumed Agreements or Assumed Real Property Leases as applicable; provided, that any Allowed Administrative Claim, Allowed Priority Tax Claim or other Allowed Priority Claim (each as defined in the Plan) relating to such Contracts shall be an Assumed Liability. None of sixteen removed contracts involve GNC Canada or Canadian counterparties;
 - (c) Purchase Price Adjustment: In the purchase price adjustments, adjusting one of the limits of the amount of new Second Lien Loans to be issued to the Seller or the Allowed Tranche B-2 Term Loan Claims at the Seller’s written direction from \$12 million to \$20 million;
 - (d) Financing Failure Event: Stipulating that the funding by the Buyer of the amount contemplated by the Aland Debt Commitment Letter shall not be a Financing Failure Event;

- (e) Executive Severance Pay: Agreement by the Buyer to not amend the GNC Executive Severance Pay Policy prior to the twelve-month anniversary of the Closing in any manner that would adversely impact a Transferred Employee's amount of severance or the events qualifying a Transferred Employee for severance;

- (f) Specified Liabilities: The addition of certain "Specified Liabilities" as Assumed Liabilities resulting in the Buyer being required to assume, pay, perform, and discharge the Specified Liabilities when specified or as due. The Specified Liabilities include the following:
 - (i) 50% of all Transfer Taxes;

 - (ii) 50% of all U.S. federal and state and local income Taxes arising out of, or triggered by, the Transactions to a maximum of \$2.5 million in the aggregate;

 - (iii) All Priority Tax Claims (as defined in the Plan) to the extent such Liabilities constitute Operating Liabilities, but excluding any portion of such outstanding Liabilities that Seller or its Subsidiaries failed to pay as and when due in the ordinary course of business consistent with past practice prior to the Closing; and

 - (iv) \$350,000 for 2019 Tax Liabilities.

- (g) Additional TLB Escrow: Agreement to segregate and hold \$1 million of the Estimated TLB Cash Distribution Amount for purposes of paying the expenses of the Plan Administrator associated with the Plan Administrator's efforts to recover amounts from the Buyer that are Assumed Liabilities.

THE FOURTH AMENDED PLAN, THE FIFTH AMENDED PLAN, THE SIXTH AMENDED PLAN, AND THE SEVENTH AMENDED PLAN

34. As noted in the Second Report, the Debtors initially filed the Preliminary Plan that was amended by the First Amended Plan, the Second Amended Plan, and the Third Amended Plan.
35. On September 29, 2020, the Debtors filed the Fourth Amended Joint Chapter 11 Plan of Reorganization of GNC Holdings, Inc. and its Debtor Affiliates under Chapter 11 of the Bankruptcy Code (the “**Fourth Amended Plan**”) to:
 - (a) Reflect the approval by the U.S. Court of the Sale Transaction pursuant to the Sale Order granted on September 18, 2020; and
 - (b) Incorporate of the terms of the Global Settlement.
36. On September 30, 2020, the Debtors filed the Fifth Amended Joint Chapter 11 Plan of Reorganization of GNC Holdings, Inc. and its Debtor Affiliates under Chapter 11 of the Bankruptcy Code (the “**Fifth Amended Plan**”).
37. On October 7, 2020, the Debtors filed the Sixth Amended Joint Chapter 11 Plan of Reorganization of GNC Holdings, Inc. and its Debtor Affiliates under Chapter 11 of the Bankruptcy Code (the “**Sixth Amended Plan**”).
38. On October 13, 2020, the Debtors filed the Seventh Amended Joint Chapter 11 Plan of Reorganization of GNC Holdings, Inc. and its Debtors Affiliates under Chapter 11 of the Bankruptcy Code (the “**Seventh Amended Plan**”).
39. The key amendments provided for in the Fourth Amended Plan, the Fifth Amended Plan, the Sixth Amended Plan, and the Seventh Amended Plan are described in further detail later in this Report.

THE PLAN SUPPLEMENT

40. On September 28, 2020, the Debtors filed the Plan Supplement for the Fourth Amended Joint Chapter 11 Plan of Reorganization of GNC Holdings, Inc. and Its Debtor Affiliates under Chapter 11 of the Bankruptcy Code (the “**Plan Supplement**”). The Plan Supplement contains documents that are integral to the Plan, approval of which will be sought pursuant to the Plan Confirmation Order. The Plan Supplement includes the following documents:

- (a) Term Sheet Relating to Corporate Governance Matters: This exhibit provides a summary of the organizational structure, principal documents, and stockholders agreement upon the Effective Date under the Plan;
- (b) Rejected Executory Contract/Unexpired Lease List: This exhibit provides a list of all rejected contracts and rejected unexpired leases;
- (c) Retained Causes of Action: This exhibit outlines that Causes of Action that a Debtor may hold against any Entity shall vest in the applicable Reorganized Debtor on the Effective Date, as well as provides a list of the Causes of Action that were transferred to the Buyer pursuant to the Stalking Horse Agreement upon consummation of the Sale Transaction;
- (d) New Board: This exhibit outlines that, upon the Effective Date in the event of a Restructuring, the terms of the current members of the board of directors shall expire, and the New Board shall be approved. It also provides an overview of the board of directors’ responsibilities pursuant to the New Organizational Documents and requirements pursuant to the Plan. As the Sale Transaction has been consummated, this is no longer applicable;
- (e) New Debt Documentation for the Exit Term Loan Term Sheet and the Exit FILO Term Sheet: This exhibit provides a copy of:

- (i) The Exit Term Loan Facility Term Sheet with exhibits that was previously filed as part of the Motion to Approve Debtor in Possession Financing dated June 24, 2020 in relation to the Interim DIP Order and Final DIP Order; and
 - (ii) The New Revolver Basket and Exit FILO Term Sheet with exhibits that was previously filed as part of the Motion to Approve Debtor in Possession Financing dated June 24, 2020 in relation to the Interim DIP Order and Final DIP Order.
- (f) Management Incentive Plan: This exhibit stipulates that, pursuant to the Plan, in the event of a Restructuring on the Effective Date, the New Board will adopt the Management Incentive Plan and additional disclosures would be provided. As the Sale Transaction has been consummated, this is no longer applicable;
- (g) Restructuring Transactions Memorandum: This exhibit provides an overview of the transaction steps that would occur to effect a Restructuring. As the Sale Transaction has been consummated, this is no longer applicable;
- (h) Sale Transaction Documents: This exhibit provides the Sale Transaction Documents that were previously approved by the U.S. Court as part of the Sale Order;
- (i) Second Lien Loan Documents: This exhibit provides a copy of the Second Lien Term Loan Credit Agreement previously filed on August 7, 2020, as part of the Notice of Filing of Stalking Horse Agreement, and subsequently approved by the Sale Order;
- (j) Class 4 Notes Documentation: This exhibit provides a copy of the Notes Term Sheet as discussed below in this Report;

- (k) Wind-Down Budget: This exhibit provides a copy of the \$3 million Wind-Down Budget, including general assumptions and related notes to the Wind-Down Budget; and
 - (l) Plan Administrator Agreement: This exhibit provides a copy of the Plan Administrator Agreement that governs the Plan Administrator, including:
 - (i) Acceptance, appointment and fiduciary status of the Plan Administrator;
 - (ii) General powers, rights and obligations of the Plan Administrator;
 - (iii) The Oversight Committee; and
 - (iv) Terms of service, resignation and removal of the Plan Administrator, and compensation.
41. On September 30, 2020, the Debtors filed a Notice of Filing of Revised Exhibit I and Exhibit L to the Plan Supplement, which included:
- (a) Revised Second Lien Loan Documents;
 - (b) An additional exhibit containing the Intercreditor and Subordination Agreement; and
 - (c) A revised Plan Administrator Agreement.
42. On October 8, 2020, the Debtors filed a Notice of Filing of Certain Revised Exhibits to the Plan Supplement, which included:
- (a) The Fifth Amendment;
 - (b) The Class 4 Notes Documents;
 - (c) The Revised Wind Down Budget; and

(d) A further revised Plan Administrator Agreement.

43. On October 13, 2020, the Debtors filed a Notice of Filing of Further Revised Exhibit L to the Plan Supplement (the “**Notice of Further Revised Plan Supplement**”), which makes further revisions to the Plan Administrator Agreement to reflect the Seventh Amended Plan, including the establishment, maintaining, funding and administering of the Class 3 Initial Escrow Amount, the Class 3 Additional Escrow Amount, the Disputed Cures Escrow Account, and the Tax Escrow Amount.

SALE CLOSING

44. On October 7, 2020, the Debtors filed a Notice of Sale Closing for the transaction approved by the Sale Order granted on September 18, 2020, pursuant to the Stalking Horse Agreement as amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, and the Fifth Amendment. Closing of the Sale Transaction occurred on October 7, 2020.

REJECTION OF UNEXPIRED LEASES

45. On October 13, 2020, the Debtors filed two omnibus motions (the “**41st Omnibus Motion**” and “**42nd Omnibus Motion**”) scheduled to be heard on November 5, 2020 regarding the authorization to reject certain unexpired leases, subleases, and agreements. The 41st Omnibus Motion seeks to reject twenty-nine (29) Canadian leases effective as of October 13, 2020 to complete the Debtors’ store rationalization strategy. The 42nd Omnibus Motion does not contemplate the rejection of any Canadian leases.
46. Rent with respect to the twenty-nine leases was paid by the Debtors for the month of October, and the proposed provisions of the draft Order contained within the 41st Omnibus Motion are substantially consistent with the prior lease rejection Orders granted by the U.S. Court and recognized by the Canadian Court.

47. If the U.S. Court grants the Order contemplated by the 41st Omnibus Motion, the Information Officer understands the Foreign Representative will seek recognition of such Order by the Canadian Court. If the Plan becomes effective prior to such Order being entered, the 29 leases will be rejected by operation of the Plan and the Confirmation Order, and the 41st Omnibus Motion will not proceed.

ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS

48. On October 14, 2020, the Debtors filed six omnibus motions (the 43rd, 44th, 45th, 46th, 47th and 48th such motions) scheduled to be heard on November 5, 2020 regarding the authorization of the Debtors to assume and assign certain executory contracts.
49. The 46th Omnibus Motion includes one executory contract to which GNC Canada is a party. Subject to the U.S. Court granting the Order contemplated by the 46th Omnibus Motion, the Information Officer understands the Foreign Representative will seek recognition of such Order by the Canadian Court.

ORDERS ISSUED IN THE CHAPTER 11 PROCEEDINGS SINCE THE DATE OF THE THIRD REPORT

50. A number of Orders have been issued by the U.S. Court since the date of the Third Report for which the Debtors are not seeking recognition by the Canadian Court. Those Orders include the following (and exclude Orders granting motions for admission *pro hac vice*):
- (a) *Omnibus Order shortening the notice period with respect to the omnibus motions of Debtors for Orders authorizing the Debtors to assume and assign certain unexpired leases, granted September 22, 2020;*
 - (b) *Omnibus Order shortening the notice period with respect to the omnibus motions of Debtors for Orders authorizing the Debtors to assume and assign certain executory contracts, granted September 25, 2020;*
 - (c) *Order scheduling omnibus hearing date, granted September 30, 2020;*

- (d) *Order shortening the notice period with respect to the Debtors' motion, granted October 1, 2020;*
 - (e) *Thirty-ninth (39th) omnibus Order (a) authorizing rejection of certain unexpired leases, subleases and agreements effective as of September 29, 2020 and (b) granting related relief, granted October 13, 2020; and*
 - (f) *Fortieth (40th) omnibus Order (a) authorizing the Debtors to assume and assign certain unexpired leases to certain franchisees and (b) rejecting certain unexpired subleases with applicable franchisees, granted October 13, 2020.*
51. The Foreign Representative is seeking recognition by the Canadian Court of the following Orders (collectively, the “**October 16 Orders**”) issued by the U.S. Court since the date of the Third Report:
- (a) *Findings of fact, conclusions of law, and Order confirming seventh amended joint chapter 11 plan of reorganization of GNC Holdings, Inc. and its Debtor affiliates under Chapter 11 of the Bankruptcy Code (the “**Plan Confirmation Order**”), granted October 14, 2020;*
 - (b) *Thirty-fourth (34th) omnibus Order authorizing the Debtors to assume and assign certain executory contracts, granted September 30, 2020 (the “**Thirty-Fourth Assumption and Assignment Order**”);*
 - (c) *Thirty-fifth (35th) omnibus Order authorizing the Debtors to assume and assign certain executory contracts, granted September 30, 2020 (the “**Thirty-Fifth Assumption and Assignment Order**”);*
 - (d) *Thirty-sixth (36th) omnibus Order (a) authorizing the rejection of certain unexpired leases effective as of September 29, 2020 and (b) granting related relief, granted October 13, 2020 (the “**Thirty-Sixth Lease Rejection Order**”);*

- (e) *Thirty-seventh (37th) omnibus order (a) authorizing rejection of certain unexpired leases effective as of September 29, 2020 and (b) granting related relief*, granted October 13, 2020 (the “**Thirty-Seventh Lease Rejection Order**”);
- (f) *Thirty-eighth (38th) omnibus order (a) authorizing rejection of certain unexpired leases effective as of September 29, 2020 and (b) granting related relief*, granted October 13, 2020 (the “**Thirty-Eighth Lease Rejection Order**”); and
- (g) *Order (a) dismissing case of GNC China Holdco, LLC and (b) amending Debtors’ case caption*, granted October 14, 2020 (the “**Case Caption Order**”);
- (h) *Corrected Thirty-First (31st) omnibus Order authorizing the Debtors to assume and assign certain unexpired leases*, granted October 8, 2020 (the “**Corrected Thirty-First Assumption and Assignment Order**”);
- (i) *Order sustaining Debtors’ first omnibus objection to proofs of claim solely for purposes of voting on the third amended joint plan of reorganization for GNC Holdings, Inc. and its Debtor affiliates under Chapter 11 of the Bankruptcy Code*, granted October 13, 2020 (the “**First Omnibus Objection Order**”);
- (j) *Order, pursuant to Section 365(d)(4) of the Bankruptcy Code, extending the deadline by which the Debtors must assume or reject remaining unexpired leases of non-residential real property*, granted October 8, 2020 (the “**Lease Extension Order**”);
- (k) *Order approving (a) Global Settlement, (b) Stalking Horse Agreement, and (c) Plan Support Agreement*, granted October 8, 2020 (the “**Global Settlement Order**”); and

- (l) *Order (i) extending the deadline by which the Debtors may remove certain actions and (ii) granting related relief*, granted October 8, 2020 (the “**Litigation Removal Extension Order**”).

52. The October 16 Orders are discussed in further detail later in this Report.
53. For ease of reference, a summary of all Orders entered in the Chapter 11 Cases (excluding Orders granting motions for admission *pro hac vice*) and the status of each order *vis-à-vis* the Recognition Proceedings (the “**Chapter 11 Order Summary**”) has been prepared by the Information Officer and posted to the Canadian Case Website. A copy of the Chapter 11 Order Summary is attached hereto as **Appendix B**.

AMENDMENTS TO THE PLAN

THE FOURTH AMENDED PLAN

54. A description of the key terms of the Third Amended Plan, was provided in the Second Report, a copy of which, without appendices, is attached hereto as **Appendix C** for ease of reference.
55. On September 22, 2020 as part of the Global Settlement Motion, the Debtors filed the Plan Support Agreement and the Plan Amendment Term Sheet, which summarize the modifications and amendments to be made to the Third Amended Plan in accordance with the Global Settlement. The key amendments to the Plan include the following:
 - (a) Cash for Distribution to Holders of General Unsecured Claims: In the event of a Sale Transaction, \$4.5 million of cash shall be distributed pursuant to the UCC’s election after payment of allowed Ad Hoc Group of Convertible Notes Professional Fees up to a cap of \$750,000 with the remainder being divided as directed by the UCC between:

- (i) Holders of Class 4 General Unsecured Claims (but not holders of Tranche B-2 Term Loan Deficiency Claims or certain holders of Convertible Unsecured Notes Claims); and
 - (ii) A new convenience class (the “**Convenience Class**”) to include general unsecured claims of \$30,000 or less (as subsequently proposed to be amended to \$50,000 or less per the Sixth Amended Plan as noted below);
- (b) Class 4 Conditions: The Class 4 Conditions shall be eliminated, provided that the Plan Support Agreement is executed;
- (c) Tranche B-2 Term Loan Deficiency: Holders of Tranche B-2 Term Loan Deficiency Claims that are party to the Restructuring Support Agreement shall vote all of their claims to accept the Plan, but all holders of Tranche B-2 Term Loan Deficiency Claims shall waive any distribution under the Plan in respect of such claims;
- (d) Convertible Unsecured Notes Claims: In the event of a Sale Transaction, holders of Convertible Unsecured Note Claims that are members of the Ad Hoc Group of Convertible Notes shall receive their rateable share of the non-cash portion of the distributions to be made to holders of Class 4 Claims, but shall not receive any portion of the cash portion of the distribution to holders of Class 4 Claims;
- (e) Professional Fees of Advisors to the Ad Hoc Group of Convertible Notes: The payment of professional fees to advisors to the Ad Hoc Group of Convertible Notes shall be treated with certain limits as prescribed;

- (f) Wind-Down Matters: The Wind-Down Amount shall be capped at \$3.0 million and shall be used to pay the types of disbursements set forth in the Wind-Down Budget acceptable to the UCC. The Committee shall select the Plan Administrator who shall be charged with winding down the Chapter 11 Cases; and
- (g) Amendment to APA; Franchisee Agreements: The Stalking Horse Agreement shall be amended pursuant to the Fourth Stalking Horse Amendment, which provides for issuance of the notes issued by ZT Biopharmaceutical LLC in the aggregate amount of \$20 million consisting of:
 - (i) \$15 million subordinated 2.25% PIK convertible note due 2028 (the “**Convertible Notes**”); and
 - (ii) \$5 million subordinated 2.25% PIK note due 2028 (the “**Regular Notes**”).

56. As noted earlier in this Report, the Debtors filed the Fourth Amended Plan on September 29, 2020 that reflected the amendments contemplated in the Plan Amendment Term Sheet to achieve the Global Settlement and resulted in the execution of the Plan Support Agreement.

THE FIFTH AMENDED PLAN

57. On September 30, 2020, the Debtors filed the Fifth Amended Plan, which contained a limited number of changes that primarily pertained to:
- (a) The removal of language regarding the “APA Litigation” (as defined in the Fifth Amended Plan) that referenced any litigation commenced by the Debtors against Harbin solely as necessary to enforce the Stalking Horse Agreement; and
 - (b) The inclusion of the Plan Amendment Term Sheet.

THE SIXTH AMENDED PLAN

58. On October 7, 2020, the Debtors filed the Sixth Amended Plan, which included the following amendments:

- (a) Class 3 Plan Administrator Escrow Amount: Establishment of an escrow amount of \$1,000,000 in Cash from the Cash portion of the Sale Proceeds otherwise payable to Holders of Claims in Class 3 (Tranche B-2 Term Loan Secured Claims) to be held in escrow until completion of the wind-down for purposes of paying expenses of the Plan Administrator. Unused amounts shall be distributed Pro Rata to Holders of Class 3 Claims;
- (b) Class 3 Additional Escrow Amount: Establishes an escrow amount from Cash from Sale Transaction Proceeds otherwise payable to Holders of Claims in Class 3 with the approval of the Required Consenting Term Lenders prior to Consummation with any unpaid amounts to be distributed Pro Rata to Holders of Class 3 Claims upon completion of the wind-down of the Debtors' estates;
- (c) Objections to Professional Fee Claims: Objections to any final requests for payment of Professional Fee Claims for services rendered up to the Effective Date must be filed no later than twenty days from the date of filing of such final requests for payment;
- (d) Class 3 (Tranche B-2 Term Loan Secured Claims) Treatment in the Event of a Sale Transaction: Each Holder of an Allowed Tranche B-2 Term Loan Secured Claim shall receive its Pro Rata Share of the total amount of Second Lien Loans issued and Cash equal to the Cash held by the Debtors immediately prior to Consummation less:
 - (i) The Class 4/4A Distribution Amount;
 - (ii) The Exit Cost Amount;
 - (iii) The Wind-Down Amount; and

- (iv) The Class 3 Plan Administrator Escrow Amount; and
- (v) The Class 3 Additional Escrow Amount;
- (e) Class 4A (Convenience Class Claims) Allowance: A Convenience Class Claim will be deemed Allowed as before and if a Convenience Class Election Form is submitted by the Holder and acknowledged by the Plan Administrator to voluntarily and irrevocably reduce the aggregate amount of such Allowed Claim to \$50,000 or less prior to the Convenience Class Election Deadline;
- (f) Sale Transaction: Effective as of the closing of the Sale Transaction, the Debtors, the Reorganized Debtors, and the Plan Administrator shall have no obligation or liability on account of any Assumed Liabilities and no Holder of an Assumed Liability shall have any Claim against the Debtors, their Estates, the Reorganized Debtors, or the Plan Administrator on account of such Assumed Liability; and
- (g) Release of Causes of Action: Notwithstanding any provision in the Plan or any order entered in these Chapter 11 Cases as of the Effective Date, the Debtors and Reorganized Debtors forever waive, relinquish, and release any and all Causes of Action the Debtors and their Estates had, have, or may have, against any Entity that arise under section 547 of the Bankruptcy Code or analogous non-bankruptcy law.

THE SEVENTH AMENDED PLAN

59. On October 13, 2020, the Debtors filed the Seventh Amended Plan, which included the following amendments:

- (a) Class 3 – Tranche B-2 Term Loan Secured Claims: In the event of a Sale Transaction, each Holder of an Allowed Tranche B-2 Term Loan Secured Claim shall receive its Pro Rata Share of the total amount of Second Lien Loans issued and Cash equal to the Cash held by the Debtors immediately prior to Consummation less:
- (i) The Class 4/4A Distribution Amount;
 - (ii) The Wind-Down Amount;
 - (iii) The Class 3 Initial Escrow Amount;
 - (iv) The Class 3 Additional Escrow Amount;
 - (v) The amount for the Disputed Cures Escrow;
 - (vi) The amount of \$250,000 distributed pursuant to Article III.B.4.c(iii)(a) of the Plan;
 - (vii) The Tax Escrow Amount; and
 - (viii) The Exit Cost Amount less any portion thereof that is also included in any of the foregoing;
- (b) Return of Escrows: The following Escrows are to be returned as follows:
- (i) **Disputed Cures Escrow Account and Professional Fee Escrow Account**: To the extent that, prior to the Effective Date, the Debtors as noticed to the UCC of resolved Cure Disputes or, after the Effective Date, the Plan Administrator determines that the remaining amounts available exceed the amount necessary to pay any remaining disputed Cure Costs or Professional Fee Claims, the excess shall be returned as follows:

- a) Used to fund the segregated account for the Class 3 Additional Escrow Amount until such segregated account from the Disputed Cures Escrow Account and/or the Professional Fee Escrow Account equals \$4,000,000; and
 - b) Thereafter, if prior to the Effective Date, released to the Debtors for distribution to the Holders of Claims in Class 3 and, if after the Effective Date, be distributed to the Second Lien Term Loan Agent for repayment of outstanding Second Lien Loans;
- (ii) **Class 3 Initial Escrow Amount and Class 3 Additional Escrow Amount:** If the Plan Administrator determines that substantially all Claims against the Debtors constituting Assumed Liabilities are no longer outstanding, the remaining Class 3 Initial Escrow Amount and Class 3 Additional Escrow Amount shall be distributed to the Second Lien Term Loan Agent for repayment of the outstanding Second Lien Loans;
- (iii) **Tax Escrow Amount:** To the extent the Plan Administrator determines after the Effective Date that substantially all of the taxes for which the Tax Escrow Amount was held in escrow are no longer outstanding, the remaining Tax Escrow Amount shall be distributed to the Second Lien Term Loan Agent for repayment of the outstanding Second Lien Loans; and
- (iv) **Exit Cost Amount:** To the extent the Plan Administrator determines after the Effective Date that substantially all of the claims and expenses for which the Exit Cost Amount was held in escrow are no longer outstanding, the remaining Exit Cost Amount shall be distributed to the Second Lien Term Loan Agent for repayment of the outstanding Second Lien Loans;

- (c) Assumed Liabilities: Effective as of the closing of the Sale Transaction:
- (i) The Debtors, the Reorganized Debtors, and the Plan Administrator shall have no obligation or liability on account of any Assumed Liabilities, and no Assumed Liabilities shall be paid from the Wind-Down Amount, the Class 4/4A Distribution Amount, or any proceeds of the Class 4 Notes; and
 - (ii) The Buyer shall have standing to object and defend any Claim asserted directly or indirectly against the Selling Entities related to Assumed Liabilities and the Buyer shall have standing to directly or indirectly assert all of the Selling Entities' rights, defences, and counterclaims;
- (d) 2019 Tax Refund: The Debtors or Plan Administrator as applicable shall use the 2019 Tax Refund to pay certain Specified Liabilities in the Stalking Horse Agreement, and any excess shall be transferred to the Buyer and shall be deemed to be Purchased Cash;
- (e) Holding of Certain Undeliverable Distributions: All undeliverable distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of such six month period. Any undeliverable amount that reverts to the Reorganized Debtors on account of a Claim not in Class 4 or Class 4A shall be distributed to the Second Lien Term Loan Agent for repayment of the outstanding Second Lien Loans; and

- (f) Conditions Precedent to the Effective Date: The addition of the requirement for the Class 3 Initial Escrow Amount, the Class 3 Additional Escrow Amount, the Class 4/4A Distribution Amount, the Disputed Cures Escrow Account, the Professional Fee Escrow Account, the Tax Escrow Account, the Wind-Down Amount, and the Exit Cure Amount to have been funded in accordance with the terms of the Plan (each as defined in Article I. Defined Terms and Rules of Interpretation of the Plan).

THE NOTES TERM SHEET

60. The Global Settlement Motion contained the Notes Term Sheet for the Convertible Notes and the Regular Notes. The key terms of the Notes Term Sheet are as follows:
- (a) Issuer: ZT Biopharmaceutical LLC, a Delaware limited liability company, which holds 100% of the equity interests of GNC Holdings, LLC;
 - (b) Guarantors: None;
 - (c) Notes: \$15 million aggregated principal amount of the Convertible Notes, and \$5 million of the Regular Notes (collectively, the “**Notes**”);
 - (d) Maturity Date: October 15, 2028 unless earlier repurchased, redeemed or converted (the “**Maturity Date**”);
 - (e) Interest: 2.25% per annum payable annually in arrears, which shall be paid by increasing the principal amount of the outstanding Notes;
 - (f) Ranking: The Notes will be the Issuer’s unsecured obligations and will rank:
 - (i) Junior in right of the BOC Facility, the Second Lien Credit Agreement, and the IVC Junior Subordinated Loan;
 - (ii) Equal in right of payment to any of its unsecured indebtedness that also so subordinated;

- (iii) Effectively junior in right of payment to any of its secured indebtedness to the extent of the value of the assets securing such indebtedness; and
- (iv) Structurally junior to all indebtedness and other liabilities (including trade payables) of the Issuer's subsidiaries; and
- (g) Conversion of Convertible Notes: On or after June 30, 2023 until the close of business on the business day preceding the Maturity Date at the option of the Issuer regardless of the foregoing circumstances. On the Maturity Date, the Convertible Notes will be mandatorily converted into the Issuer's shares of common stock of the Issuer.

THE PLAN CONFIRMATION ORDER

APPROVAL OF THE PLAN BY AFFECTED CREDITORS

61. On October 8, 2020, the Debtors filed the declaration of Alex Orchowski of Prime Clerk regarding the solicitation of votes and tabulation of ballots cast on the Plan (the "**Voting Report**"). The Voting Report, *inter alia*, provides the following information with respect to the solicitation of votes and the tabulation of Ballots cast on the Plan:

- (a) Adherence to the Solicitation Procedures: The Disclosure Statement Order established procedures to solicit votes from, and tabulate Ballots submitted by, holders of claims entitled to vote on the Plan (the "**Solicitation Procedures**"). The Voting Report indicates that Prime Clerk adhered to the Solicitation Procedures outlined in the Disclosure Statement Order and, among other things, distributed Solicitation Packages (including Ballots) to parties entitled to vote on the Plan;
- (b) Voting Record Date: The Solicitation Procedures established August 13, 2020 as the record date (the "**Voting Record Date**") for determining which creditors were entitled to vote on the Plan;

(c) Voting Classes: Pursuant to the Plan and Solicitation Procedures, only the following classes were entitled to vote to accept or reject the Plan (the “**Voting Classes**”), which were comprised of:

- (i) Class 3: Tranche B-2 Term Loan Secured Claims; and
- (ii) Class 4: General Unsecured Claims; Tranche B-2 Term Loan Deficiency Claims; and Convertible Unsecured Notes Claims;

(d) Review of Ballots by Prime Clerk: In accordance with the Solicitation Procedures, Prime Clerk received, reviewed, determined the validity of, and tabulated the Ballots submitted to vote on the Plan. Only Ballots meeting the following criteria were included in the tabulation results:

- (i) Properly completed pursuant to the Solicitation Procedures;
- (ii) Executed by the relevant holder, or the holder’s authorized representative, entitled to vote on the Plan;
- (iii) Returned to Prime Clerk via an approved method of delivery; and
- (iv) Received by Prime Clerk by 5:00 p.m. (prevailing Eastern Time) on October 5, 2020 (the “**Voting Deadline**”);

(e) The final tabulation of votes cast by timely and properly completed Ballots received by Prime Clerk is as follows:

Class	Class Description	Percent (Number) Accepting	Percent (Number) Rejecting	Percent (Amount) Accepting	Percent (Amount) Rejecting	Class Voting Result
3	Tranche B-2 Term Loan Secured Claims	100% (35 accepted)	0% (0 rejected)	100% (\$94,884,118.02)	0% (\$0.00)	ACCEPT
4	General Unsecured Claims; Tranche B-2 Term Loan Deficiency Claims; and Convertible Unsecured Notes Claims	87.83% (462 accepted)	12.17% (64 rejected)	97.55% (\$325,109,972.34)	2.45% (\$8,179,118.55)	ACCEPT

62. On October 8, 2020, the Debtors filed the Debtors' memorandum of law in support of confirmation of the Sixth Amended Plan and the omnibus reply to objections to confirmation (the "**Plan Memorandum**").
63. The Plan Memorandum provides a comprehensive review of the facts that indicate that the Plan should be confirmed. Specifically, the Plan Memorandum discloses, *inter alia*, the following:
- (a) Acceptance of the Plan by the Voting Classes: As summarized in the table above and as outlined in the Voting Report, the Plan has been accepted overwhelmingly by all creditors in the voting classes – Classes 3 and 4;
 - (b) The Plan meets the relevant provisions of the Bankruptcy Code and should be confirmed, which include the following requirements:
 - (i) The Plan satisfies the classification requirements of Section 1122 of the Bankruptcy Code that, *inter alia*, provides that a plan may place a claim in a particular class only if such claim is substantially similar to the other claims or interests of such class, and the Plan satisfies this section;
 - (ii) The plan satisfies the seven requirements of Section 1123(a) of the Bankruptcy Code, which are as follows:
 - a) Designate classes of claims and interests;
 - b) Specify unimpaired classes of claims and interests;
 - c) Specify treatment of impaired classes of claims and interests;
 - d) Provide the same treatment for each claim or interest of a particular class, unless the holder of a particular claim or interest agrees to a less favourable treatment of such particular claim or interest;

- e) Provide adequate means for implementation of the plan;
 - f) Provide for the prohibition of the issuance of nonvoting equity securities and provide an appropriate distribution of voting power among the classes of securities; and
 - g) Contain only provisions that are consistent with the interests of the creditors and equity security holders and with public policy with respect to the manner of selection of the reorganized company's officers and directors.
- (iii) The discretionary contents of the Plan are appropriate pursuant to Section 1123(b), including the assumption or rejection of executory contracts or unexpired leases, and provision of a structure for allowance and disallowance of claims;
- (iv) The release, exculpation, injunction, and settlement provisions are integral components of the Plan;
- (v) The Debtors have complied with the applicable provisions of the Bankruptcy Code in accordance with Section 1129(a)(2), which requires that the proponent of a plan of reorganization comply with the applicable provisions of the Bankruptcy Code, and in particular, the disclosure and solicitation requirements of section 1125 of the Bankruptcy Code;
- (vi) The Plan has been proposed in good faith and not by any means forbidden in law in accordance with Section 1129(a)(3);
- (vii) The Plan provides for U.S. Court approval of certain administrative payments in accordance with Section 1129(a)(4), which requires U.S. Court approval of certain professional fees and expenses paid by the plan proponents or by the Debtors;

- (viii) The Debtors have disclosed the identity of proposed management, compensation of insiders and consistency of management proposals with the interest of creditors and public policy in accordance with Section 1129(a)(5);
- (ix) The Plan does not require governmental regulatory approval in accordance with Section 1129(a)(6);
- (x) The Plan is in the best interests of creditors and interest holders in accordance with Section 1129(a)(7);
- (xi) Acceptance of impaired classes in accordance with Section 1129(a)(8), which requires that each class of claims must either accept a plan or be unimpaired under a plan; Pursuant to the provisions Section 1126(c) of Chapter 11 of the United States Bankruptcy Code, a class of impaired claims accepts a plan if holders of at least two-thirds in dollar amount and more than one-half in number of the allowed claims in that class that actually submits ballots to vote to accept the plan (the “**Required Majorities**”). As shown above, the Required Majorities were achieved and, accordingly, the Plan was approved;
- (xii) The Plan complies with statutorily mandated treatment of administrative and priority tax claims in accordance with Section 1129(a)(9);
- (xiii) At least one impaired class of claims has accepted the Plan, excluding the acceptances of insiders, in accordance with Section 1129(a)(10);
- (xiv) The Plan is feasible in accordance with Section 1129(a)(11) as confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization;

- (xv) The Plan provides for the payment of all filing fees under 28 U.S.C. § 1930 in accordance with Section 1129(a)(12);
- (xvi) The Plan provides for continued payment of all retiree benefits in accordance with Section 1129(a)(13);
- (xvii) Sections 1129(a)(14), (a)(15), and (a)(16) of the Bankruptcy Code are inapplicable as the Debtors are not required to pay any domestic support obligations, individuals, or non-profit corporations or trusts;
- (xviii) The Plan satisfies the “cramdown” requirements of 11 U.S.C. § 1129(b);
- (xix) The Plan is fair and equitable with respect to each impaired class that has not voted to accept the Plan pursuant to Sections 1129(b)(2)(B)(ii) and 1129(b)(2)(C)(ii);
- (xx) The Plan does not unfairly discriminate with respect to each impaired class that has not voted to accept the Plan; and
- (xxi) The purpose of the Plan is not the avoidance of taxes or the avoidance of securities laws in accordance with 11 U.S.C. § 1129(d).

OBJECTIONS TO THE PLAN

64. On October 7, 2020, the UCC filed a reservation of rights with respect to confirmation of the Plan (the “**UCC Reservation of Rights**”). The UCC Reservation of Rights noted that the UCC did not object to confirmation of the Plan as a general matter, but given that certain outstanding issues remained under discussion at that time and must ultimately be addressed in the Plan and/or the Plan Confirmation Order, the UCC reserved its rights unless and until the remaining issues noted below were resolved:

- (a) The mechanics related to distributions to Class 4 under the Plan;
- (b) The final form of the Plan Confirmation Order;

- (c) The final form of the Wind-Down Budget; and
 - (d) Adequate funding for priority and administrative claims.
65. The Information Officer understands that the revisions made to the Seventh Amended Plan and the proposed Plan Confirmation Order, as discussed later in this Report, resolved all outstanding issues under discussion with the UCC, and the UCC did not object to confirmation of the Plan.
66. Other than the UCC Reservation of Rights and as detailed in Exhibit A to the Plan Memorandum, eight objections/reservations to the Plan were filed prior to the objection deadline on October 7, 2020 at 5:00 p.m. (prevailing Eastern Time).
67. A number of other objections were filed, all but one of which were consensually resolved prior to the confirmation hearing.

NOTICE OF FILING OF PROPOSED PLAN CONFIRMATION ORDER

68. On September 29, 2020, the Debtors filed the Notice of Filing of Proposed Confirmation Order (the “**Plan Confirmation Order Notice**”). The Plan Confirmation Order Notice, as provided for in the Disclosure Statement Order, provided notice of the hearing to consider confirmation of the Plan (the “**Confirmation Hearing**”) that was scheduled to occur on October 14, 2020 at 1:00 p.m. (prevailing Eastern Time).
69. The Plan Confirmation Order Notice stated that the Debtors intended to seek a form of Order substantially similar to the Proposed Plan Confirmation Order attached as Exhibit A to the Plan Confirmation Order Notice.
70. On October 8, 2020, the Debtors filed the Notice of Filing of Revised Proposed Confirmation Order (the “**Revised Plan Confirmation Order Notice**”), with a revised form of Proposed Plan Confirmation Order. The revisions to the original form of Order were primarily to reflect the resolution of certain objections received, and included the following:

- (a) Addition of language to reflect amendments contained within the Fifth Amended Plan and the Sixth Amended Plan;
 - (b) Addition of language to reflect amendments to the Plan Supplement, including revised exhibits;
 - (c) Addition of language to reflect consummation of the Sale Transaction on October 7, 2020;
 - (d) Addition of language to reflect that Holders of Class 4A Claims are Holders of Class 4 Claims that make the Committee Election (after Confirmation) to have their Class 4 Claims treated as Class 4A Convenience Claims;
 - (e) Removal of language that is not applicable to the Plan given the consummation of the Sale Transaction (instead of pursuit of the Restructuring), and noting that certain sections of the Revised Proposed Plan Confirmation Order are not applicable;
 - (f) Addition of language to address Federal and State Interests (as defined in the Revised Proposed Plan Confirmation Order); and,
 - (g) Addition of certain language to address the claims of the Local Texas Tax Authorities, and the Mississippi Department of Revenue.
71. On October 13, 2020, the Debtors filed the Notice of Filing of Further Revised Proposed Confirmation Order (the “**Further Revised Plan Confirmation Order Notice**”), with a further revised form of the Proposed Plan Confirmation Order. The further revisions were made to reflect language resolving certain objections, informal responses and updated documents filed, and included the following:
- (a) Addition of language to reflect the Debtors having obtained the Global Settlement Order and the Case Caption Order, and providing notice of filing of the Seventh Amended Plan;

- (b) Addition of language to reflect the revisions identified in the Notice of Further Revised Plan Supplement;
- (c) Addition of language confirming that the Plan is consistent with the Global Settlement and Global Settlement Order;
- (d) Additional of language to reflect the revisions as incorporated within the Seventh Amended Plan;
- (e) Addition of language to reflect the UCC's selection of Meta Advisors, Inc. to serve as the Plan Administrator in accordance with the Global Settlement and Plan as of the Effective Date;
- (f) Addition of language confirming that the Convertible Unsecured Notes Indenture shall continue in effect for specified purposes; and
- (g) Addition of language to confirm the status and transfer of the Chubb Insurance Program (as defined in the Proposed Confirmation Order).

THE PLAN CONFIRMATION ORDER

72. As noted earlier in this Report, the Plan Confirmation Order was granted by the U.S. Court on October 14, 2020. The Plan Confirmation Order was granted substantially in the form attached to the Further Revised Plan Confirmation Order Notice.
73. Pursuant to the Plan Confirmation Order, the U.S. Court made and issued several findings of fact and conclusions of law, including the following:
- (a) The U.S. Court has proper jurisdiction, and the District of Delaware was and continues to be the proper venue;
 - (b) The Debtors were and are qualified to be debtors in chapter 11 cases under section 109(a) and (d) of the Bankruptcy Code;

- (c) The Plan Supplement complies and is consistent with the Bankruptcy Code, and the filing and notice of such documents was proper;
- (d) Due, adequate, and sufficient notice of entry of the Disclosure Statement Order, the Plan, and notice of the assumptions of executory contracts and unexpired leases to be assumed and assigned by the Debtors has been given to the requisite parties;
- (e) The Debtors solicited votes for acceptance and rejection of the Plan in good faith and in compliance with the Bankruptcy Code;
- (f) The procedures used to tabulate the ballots for the Voting Report were fair and conducted in accordance with the Disclosure Statement Order and the Bankruptcy Code and related rules;
- (g) The modifications made to the Plan as a result of the Global Settlement do not materially and adversely affect or change the treatment of any Claims against the Debtors. Accordingly, no other disclosure or further solicitation of votes on the Plan is required;
- (h) The Plan complies with all requirements under Section 1129 of the Bankruptcy Code as outlined above pursuant to the evidence provided in the Plan Memorandum; and
- (i) The Debtors, the Consenting Creditors, the UCC, the Ad Hoc Group of Convertible Notes, and their respective advisors, have acted in good faith and are entitled to the protections, releases, and exculpatory and injunctive provisions in the Bankruptcy Code and as set forth in the Plan, as applicable.

74. Based on the findings of fact and conclusions of law, the U.S. Court granted the Plan Confirmation Order, which, *inter alia*, provides the following relief:

- (a) The Plan is confirmed in each and every respect pursuant to Section 1129 of the Bankruptcy Code;
- (b) The terms of the Plan Confirmation Order and the Plan are deemed to be binding upon: a) the Debtors; b) any and all holders of Claims or Interests; c) any and all non-Debtor parties to Executory Contracts and Unexpired Leases with any of the Debtors; and d) the respective heirs, executors, administrators, successors or assigns of any of the foregoing;
- (c) The terms of the Plan shall solely govern the classification of Claims and Interest for purposes of the distributions made;
- (d) The entry of the Plan Confirmation Order constitutes the U.S. Court's approval of the compromise and settlement of all such Claims, Interests and controversies, as well as a finding by the U.S. Court that such compromise and settlement is fair, equitable, and reasonable and in the best interests of the Debtors and their Estates;
- (e) All Impaired Claims shall be deemed Allowed Claims as provided for in the Plan;
- (f) All compensation and benefit programs shall be assumed and assigned upon consummation of the Sale Transaction;
- (g) The releases by the Debtors contemplated in the Plan are approved in their entirety;
- (h) The releases for third-parties contemplated in the Plan are approved in their entirety;
- (i) The Debtors are authorized to consummate the Plan at any time after the entry of the Plan Confirmation Order subject to the satisfaction or waiver of the conditions precedent to the Effective Date as set out in the Plan;

- (j) The UCC shall dissolve automatically on the Effective Date; and
- (k) The Plan Confirmation Order is a Final Order.

REQUEST FOR RECOGNITION OF THE PLAN CONFIRMATION ORDER

75. Given the nature of the Recognition Proceedings, the Foreign Representative is seeking recognition of the Plan Confirmation Order and not an Order sanctioning a plan pursuant to section 6(1) of the CCAA. However, the Information Officer is of the view that the factors to be considered by the court in determining whether to sanction a plan under section 6(1) of the CCAA are of relevance to the Canadian Court's consideration of the Foreign Representative's request.
76. The leading case of *Re Northland Properties Ltd.*¹ and subsequent jurisprudence articulate that for a plan of compromise or arrangement to be sanctioned pursuant to the CCAA, the following three tests must be met:
- (a) There has been strict compliance with all statutory requirements and adherence to previous orders of the Court;
 - (b) Nothing has been done or purported to have been done that is not authorized by the CCAA; and
 - (c) The plan is fair and reasonable.

STATUTORY COMPLIANCE AND ADHERENCE TO PREVIOUS COURT ORDERS

Statutory Compliance

77. The CCAA contains a number of provisions with which compliance is required in order for a plan of compromise or arrangement to be sanctioned by the Court.

¹ (1989), 73 C.B.R. (N.S.) 195, 34 B.C.L.R. (2d) 122, [1989] 3 W.W.R. 363 (C.A.)

78. Section 5.1(1) of the CCAA contemplates the compromise of claims against directors but section 5.1(2) of the CCAA mandates certain exceptions. Article IX.B of the Plan incorporates the statutory exceptions required by the CCAA in respect of the release for the directors of GNC Canada provided for in the Plan.
79. Section 6(3) of the CCAA requires that the Plan provide for the payment in full of certain Crown claims within six months of the Sanction Order. Article II.C of the Plan incorporates that the Allowed priority Crown claims, if any, be paid under terms that appear to be in compliance with section 6(3) of the CCAA.
80. Section 6(5) of the CCAA requires that the Plan provide for payment immediately after sanction of certain amounts owing to employees and former employees. Article V.G of the Plan provides that amounts owing to employees under section 6(5) of the CCAA, if any, will be paid as required.
81. Section 6(6) of the CCAA requires that the Plan provide for payment of certain unpaid amounts relating to pension plans and that the Court be satisfied that such claims can and will be paid. As GNC Canada does not participate in any pension plans, there are no such claims.
82. Pursuant to section 6(8) of the CCAA, no plan of compromise or arrangement that provides for a payment of an equity claim may be sanctioned by the Court unless all non-equity claims are paid in full. Article III.B of the Plan provides that Holders of Equity Interests shall receive no distribution on account of their Equity Interests and the Plan Confirmation Order contains a finding of fact that the Plan does not violate the absolute priority rule.
83. Pursuant to section 19(2) of the CCAA, a plan of compromise or arrangement may not deal with any claim that relates to the debts or liabilities described in section 19(2) unless the plan explicitly provides for the compromise of such claim and the creditor holding the claim votes in favour of the plan. The Information Officer has been informed that no claims of the kinds listed in section 19(2) of the CCAA were filed against GNC Canada or any of the other Debtors.

84. Based on the foregoing, the Information Officer is not aware of any aspect of the Plan that is not in compliance with CCAA statutory requirements.

Adherence to Previous Court Orders

85. The Information Officer is not aware of any instances where GNC Canada has not substantially complied with the Orders granted by the U.S. Court or this Honourable Court during the Recognition Proceedings.

ACTIONS NOT AUTHORIZED BY THE CCAA

86. The Information Officer is not aware of any instances where GNC Canada has taken, or has purported to have taken, any action that is not authorized by the CCAA.

FAIRNESS AND REASONABLENESS OF THE PLAN

87. In *Re Canadian Airlines Corp.*², the Honourable Madam Justice Paperny, then of the Alberta Court of Queen's Bench, stated that the following are relevant considerations in determining whether a plan is fair and reasonable:
- (a) The composition of the unsecured creditors' vote;
 - (b) What creditors would receive on liquidation or bankruptcy as compared to the Plan;
 - (c) Alternatives available to the Plan and bankruptcy;
 - (d) Consideration of oppression of rights;
 - (e) Unfairness to shareholders; and
 - (f) Public interest.

² (2000), 20 C.B.R. (4th) 1, leave to appeal refused, 20 C.B.R. (4th) 46 (C.A.).

Composition of the Vote

88. The Plan was voted on by holders of claims entitled to vote on the Plan in Classes 3 and 4. The classification of holders of claims entitled to vote into the respective classes was approved by the Disclosure Statement Order, which was recognized by the Canadian Court on August 25, 2020.
89. As stated earlier in this Report, the Plan was approved by the Required Majorities in both Classes 3 and 4.

Liquidation or Bankruptcy as Compared to the Plan

90. As described in paragraphs 77 to 80 of the Third Report, the Information Officer has reviewed whether a liquidation under Chapter 7 of the Bankruptcy Code would be more beneficial to creditors than the implementation of the Plan and has concluded that it would not be. The Liquidation Analysis, a copy of which is available as Exhibit E to the Disclosure Statement, provides the estimated range of recoveries:
- (a) For secured creditors: 61%-71% in a liquidation versus 98.8% under the Sale Transaction; and
 - (b) For unsecured creditors: no recovery in a liquidation versus a 3.0% recovery under a Sale Transaction.
91. Accordingly, in the Information Officer's view, the Plan is overall more beneficial than a bankruptcy.

Oppression

92. In the view of the Information Officer, there does not appear to be any aspect of the Plan that materially prejudices or materially disregards the interests of creditors or existing shareholders such that oppression would arise from the implementation of the Plan.

Fairness to Shareholders

93. Pursuant to the Plan on the Effective Date, all Equity Claims will be cancelled and extinguished for no consideration and will be of no further force or effect. Equity Interests are Impaired, and Holders of Class 8 Equity Interests are deemed to have rejected the Plan.
94. The Debtors, including GNC Canada, are insolvent and their unsecured creditors face a significant shortfall on their indebtedness. Consequently, the shareholders of the Debtors have no apparent economic interest in the Debtors. Furthermore, there are no apparent alternatives that would provide the shareholders of the Debtors any value for their Equity Interests. Accordingly, there is no apparent unfairness to the shareholders of the Debtors from the implementation of the Plan.

Public Interest

95. It is the Information Officer's view that there is nothing in respect of the implementation of the Plan that could be considered to be contrary to the public interest.

THE INFORMATION OFFICER'S CONCLUSION AND RECOMMENDATION

96. In the Information Officer's view:
- (a) The Plan has been approved by the Required Majorities of each Class eligible to vote;
 - (b) There has been compliance with all requirements of the CCAA by the Debtors, including GNC Canada;
 - (c) The Debtors have adhered to previous Orders of the U.S. Court and the Canadian Court made in the Recognition Proceedings;
 - (d) Nothing has been done or purported to be done that is not authorized by the CCAA; and
 - (e) The Plan is fair and reasonable.

97. Accordingly, the Information Officer respectfully recommends that the Foreign Representative's request for the Plan Confirmation Recognition Order be granted by this Honourable Court.

REQUEST FOR RECOGNITION OF THE OTHER OCTOBER 16 ORDERS

THE ASSUMPTION AND ASSIGNMENT ORDERS

98. The Sale Order approved the assumption by the Buyer of the Assigned Contracts upon payment of any required cure costs, which are to be paid by the Buyer.
99. In relation to the Sale Transaction and pursuant to the Sale Order, the Debtors have sought several orders authorizing the Debtors to assume certain executory contracts pursuant to which a Debtor is a party and assign such contracts to GNC Holdings, LLC, in each case effective as of the Closing. The Thirty-Fourth Assumption and Assignment Order and Thirty-Fifth Assumption and Assignment Order (collectively, the "**September 30 Assumption and Assignment Orders**") include authorization to assume and assign certain Canadian executory contracts. The other omnibus assumption and assignment orders do not pertain to any executory contracts to which GNC Canada is a party, and accordingly, the Foreign Representative is not seeking recognition of those Orders.
100. The Thirty-Fourth Assumption and Assignment Order includes three Canadian executory contracts to be assumed and assigned to the Buyer, and the provisions are substantially consistent with previous assumption and assignment orders recognized by the Canadian Court pursuant to the September 30 Recognition Order in the Recognition Proceedings.
101. The Thirty-Fifth Assumption and Assignment Order includes one Canadian executory contract to be assumed and assigned to the Buyer, and the provisions are substantially consistent with previous assumption and assignment orders recognized by the Canadian Court pursuant to the September 30 Recognition Order in the Recognition Proceedings.
102. Accordingly, the Information Officer is of the view that recognition of the September 30 Assumption and Assignment Orders is appropriate in the circumstances.

THE SEPTEMBER 29 LEASE REJECTION ORDERS

103. In conjunction with the Debtors' store rationalization, the Debtors have sought and obtained several Orders from the U.S. Court authorizing the rejection of leases. Of the orders approving rejection of leases approved by the U.S. Court since September 29, 2020, only the Thirty-Sixth Lease Rejection Order, the Thirty-Seventh Lease Rejection Order, and the Thirty-Eighth Lease Rejection Order (collectively, the "**September 29 Lease Rejection Orders**") include authorization to reject certain leases for stores in Canada. The other lease rejection Orders do not pertain to any leases within Canada, and accordingly, the Foreign Representative is not seeking recognition of those Orders.
104. The Thirty-Sixth Lease Rejection Order includes twelve Canadian store leases that were terminated effective as of September 29, 2020. The provisions of the Thirty-Sixth Lease Rejection Order are substantially consistent with the previous lease rejection Orders recognized by the Canadian Court in the Recognition Proceedings.
105. The Thirty-Seventh Lease Rejection Order includes thirteen Canadian store leases that were terminated effective as of September 29, 2020. The provisions of the Thirty-Seventh Lease Rejection Order are substantially consistent with the previous lease rejection Orders recognized by the Canadian Court in the Recognition Proceedings.
106. The Thirty-Eighth Lease Rejection Order includes five Canadian store leases that were terminated effective as of September 29, 2020. The provisions of the Thirty-Sixth Lease Rejection Order are substantially consistent with the previous lease rejection Orders recognized by the Canadian Court in the Recognition Proceedings.
107. GNC Canada provided at least 30 days' notice to the landlords subject to the September 29 Lease Rejection Orders prior to the effective date of the lease rejection and paid rent for the notice period.
108. Accordingly, the Information Officer is of the view that recognition of the September 29 Lease Rejection Orders is appropriate in the circumstances.

THE CASE CAPTION ORDER

109. The Foreign Representative is seeking recognition of the Case Caption Order. The purpose of the Case Caption Order is to, *inter alia*:
- (a) Dismiss GNC China Holdco, LLC's chapter 11 case; and
 - (b) Amend the case caption used in each of the Debtors' jointly administered Chapter 11 Cases.
110. On September 18, 2020, the U.S. Court entered the Sale Order approving the Sale of substantially all of the Debtors' assets, including the equity of GNC China Holdco, LLC to Harbin pursuant to the Stalking Horse Agreement. On Closing of the Sale Transaction on October 7, 2020, Harbin acquired all of the ownership interest in GNC China Holdco, LLC, and accordingly, the Debtors sought and obtained dismissal of its chapter 11 bankruptcy case.
111. On Closing of the Sale Transaction on October 7, 2020, the Buyer obtained the sole and exclusively ownership and exclusive right to use the GNC Names and Marks, with the Debtors retaining the right to use the Debtors' names solely as a former name for legal and noticing purposes in connection with the Chapter 11 Cases. Accordingly, the Debtors changed their legal names as follows upon closing of the Sale Transaction:

OLD NAME	NEW NAME
GNC Holdings, Inc.	Vitamin OldCo Holdings, Inc.
GNC Parent LLC	Vitamin OldCo Parent LLC
GNC Corporation	Vitamin OldCo Corporation
General Nutrition Centers, Inc.	Vitamin OldCo Centers, Inc.
General Nutrition Corporation	Vitamin OldCo, Inc.
General Nutrition Investment Company	Vitamin OldCo Investment Company
Lucky OldCo Corporation	Vitamin OldCo Lucky Corporation
GNC Funding, Inc.	Vitamin OldCo Funding, Inc.
GNC International Holdings, Inc.	Vitamin OldCo International Holdings, Inc.
GNC China Holdco, LLC	GNC China Holdco, LLC (no change) ³
GNC Headquarters LLC	Vitamin OldCo Headquarters LLC
Gustine Sixth Avenue Associates, Ltd.	Vitamin OldCo Associates, Ltd.
GNC Canada Holdings, Inc.	Vitamin OldCo Canada Holdings, Inc.
General Nutrition Centres Company	Vitamin OldCo Centres Company
GNC Government Services, LLC	Vitamin OldCo Government Services, LLC
GNC Puerto Rico Holdings, Inc.	Vitamin OldCo Puerto Rico Holdings, Inc.
GNC Puerto Rico, LLC	Vitamin OldCo Puerto Rico, LLC

112. The Information Officer is of the view that the Case Caption Order is consistent with the terms and requirements of the Sale Transaction approved by the Sale Order and does not prejudice any party at interest. Accordingly, the Information Officer is of the view that recognition of the Case Caption Order is appropriate in the circumstances.

THE CORRECTED THIRTY-FIRST ASSUMPTION AND ASSIGNMENT ORDER

113. As noted earlier in this Report, the Canadian Court recognized the Thirty-First Assumption and Assignment Order pursuant to the September 30 Recognition Order.

³ Harbin acquired the equity of GNC China Holdco, LLC, therefore a change to its legal name upon its dismissal from the chapter 11 bankruptcy case was not required.

114. Subsequently, the Debtors were informed that the incorrect landlord was listed on Schedule 1 to the Thirty-First Assumption and Assignment Order for Store No. 3554, and an incorrect landlord address was listed for Store No. 4511.
115. The Corrected Thirty-First Assumption and Assignment Order was issued by the U.S. Court on October 8, 2020, to correct those errors.
116. The Foreign Representative now seeks recognition of the Corrected Thirty-First Assumption and Assignment Order. The Information Officer is of the view that recognition of the Corrected Thirty-First Assumption and Assignment Order is appropriate in the circumstances.

THE FIRST OMNIBUS OBJECTION ORDER

117. The Foreign Representative seeks recognition of the First Omnibus Objection Order. Pursuant to the First Omnibus Objection Order, unresolved litigation claims filed against the Debtors will be allowed as General Unsecured Claims in the amount of \$1, solely for the purpose of voting on the Plan, without prejudice to the determination of such claims for distribution purposes.
118. The treatment of the unresolved litigation claims under the First Omnibus Objection Order is consistent with the Disclosure Statement Order, which was previously recognized by the Canadian Court, which states at paragraph 21(b) that:

“if a Claim for which a Proof of Claim has been timely filed is identified, in whole or in part, as contingent, unliquidated, or disputed, and that is not subject to a pending objection, the Debtors such Claim is temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at \$1.00;”
119. The Information Officer is of the view that recognition of the First Omnibus Objection Order is appropriate in the circumstances.

THE LEASE EXTENSION ORDER

120. The Foreign Representative seeks recognition of the Lease Extension Order. As noted earlier in this Report, the Lease Extension Order extends the deadline by which the Debtors must assume or reject remaining unexpired leases on non-residential real property until the earlier of January 19, 2021 or the date of entry of the Plan Confirmation Order.
121. There were no answers, objections, or other responses filed on or before the objection deadline on October 5, 2020. A certificate of no objection was filed by the Debtors on October 7, 2020 and the U.S. Court granted the Lease Extension Order on October 8, 2020.
122. In the Information Officer's view, the Lease Extension Order does not unduly prejudice any party. The Information Officer is of the view that recognition of the Lease Extension Order is appropriate in the circumstances.

THE GLOBAL SETTLEMENT ORDER

123. The Foreign Representative seeks recognition of the Global Settlement Order, which, *inter alia*, approved the Global Settlement, the Fourth Amendment, and the Plan Support Agreement.
124. There were no answers, objections, or other responses filed on or before the objection deadline on October 6, 2020. A certificate of no objection was filed by the Debtors on October 7, 2020 and the U.S. Court granted the Global Settlement Order on October 8, 2020.
125. The approval of the Global Settlement Order, including the Global Settlement, the Fourth Amendment, and the Plan Support Agreement, helps to expedite the Debtors' progress in the Chapter 11 Cases while minimizing litigation and related costs for all stakeholders involved, and resulted in a fully consensual Plan supported by all of the Debtors' key creditor constituencies. Accordingly, the Information Officer is of the view that recognition of the Global Settlement Order is appropriate in the circumstances.

THE LITIGATION REMOVAL EXTENSION ORDER

126. The Foreign Representative seeks recognition of the Litigation Removal Extension Order.
127. The Debtors remain involved in a number of actions pending in multiple jurisdictions, which were identified in the filed Schedules of Assets and Liabilities and Statement of Financial Affairs, as amended. As the Debtors' and their advisors' primary focus has been on operating the Debtors' business, effecting the Sale Transaction, and furthering their progress in the Chapter 11 Cases, the Debtors have not determined whether it is appropriate to file notices of removal with respect to the pending actions. The Litigation Removal Extension Order, *inter alia* extends the deadline by 120 days by which the Debtors may file notices of removal of litigation (the "**Removal Deadline**") from September 21, 2020 through and including January 19, 2021, without prejudice to the Debtors ability to request additional extensions to the Removal Deadline should it become necessary to do so.
128. There were no answers, objections, or other responses filed on or before the objection deadline on October 5, 2020. A certificate of no objection was filed by the Debtors on October 7, 2020 and the U.S. Court granted the Litigation Removal Extension Order on October 8, 2020.
129. The Information Officer is of the view that recognition of the Litigation Removal Extension Order is appropriate in the circumstances.

RELEASE OF DIP LENDERS' CHARGES

130. The Information Officer has been informed that the DIP Financing was repaid in full on closing of the Sale Transaction. Accordingly, the Foreign Representative now seeks an Order releasing and discharging the DIP Lenders' Charges.
131. As the DIP Financing has been repaid and no further borrowing is required, the Information Officer is of the view that the release and discharge of the DIP Lender's Charges is appropriate in the circumstances.

The Information Officer respectfully submits to the Court this, its Report.

Dated this 14th day of October, 2020.

FTI CONSULTING CANADA INC.

Solely in its capacity as Information Officer of GNC Holdings, Inc., General Nutrition Centres Company, GNC Parent LLC, GNC Corporation, General Nutrition Centers, Inc., General Nutrition Corporation, General Nutrition Investment Company, Lucky Oldco Corporation, GNC Funding Inc., GNC International Holdings Inc., GNC China Holdco, LLC, GNC Headquarters LLC, Gustine Sixth Avenue Associates, Ltd., GNC Canada Holdings, Inc., GNC Government Services, LLC, GNC Puerto Rico Holdings, Inc., and GNC Puerto Rico, LLC, and not in its personal or corporate capacity.



Nigel D. Meakin
Senior Managing Director



Jim Robinson
Managing Director

Appendix A

Debtors

GNC HOLDINGS, INC.
GENERAL NUTRITION CENTRES COMPANY
GNC PARENT LLC
GNC CORPORATION
GENERAL NUTRITION CENTERS, INC.
GENERAL NUTRITION CORPORATION
GENERAL NUTRITION INVESTMENT COMPANY
LUCKY OLDSCO CORPORATION
GNC FUNDING INC.
GNC INTERNATIONAL HOLDINGS INC.
GNC CHINA HOLDCO, LLC
GNC HEADQUARTERS LLC
GUSTINE SIXTH AVENUE ASSOCIATES, LTD.
GNC CANADA HOLDINGS, INC.
GNC GOVERNMENT SERVICES, LLC
GNC PUERTO RICO HOLDINGS, INC
GNC PUERTO RICO, LLC

Appendix B

The Chapter 11 Order Summary

	U.S. Order	Defined Order Name per Reports of the Information Officer	US Dock. #	Date U.S. Order Granted	Recognition by Canadian Court	Date of Canadian Recognition Order
1	ORDER AUTHORIZING JOINT ADMINISTRATION OF CHAPTER 11 CASES	Joint Administration Order	95	June 24, 2020	Yes	June 29, 2020
2	ORDER AUTHORIZING RETENTION AND APPOINTMENT OF PRIME CLERK LLC AS CLAIMS AND NOTICING AGENT	N/A	115	June 25, 2020	No	N/A
3	INTERIM ORDER ESTABLISHING CERTAIN NOTICE AND HEARING PROCEDURES FOR TRANSFERS OF, OR WORTHLESSNESS DEDUCTIONS WITH RESPECT TO, COMMON STOCK AND CONVERTIBLE PREFERRED STOCK OF GNC HOLDINGS, INC.	Interim Equity Trading NOL Order	116	June 24, 2020	Yes	June 29, 2020
4	ORDER (I) AUTHORIZING THE DEBTORS TO (A) FILE A CONSOLIDATED LIST OF CREDITORS, (B) FILE A CONSOLIDATED LIST OF THE DEBTORS' THIRTY (30) LARGEST UNSECURED CREDITORS, (C) MODIFY REQUIREMENTS TO FILE A LIST OF, AND PROVIDE NOTICE TO, ALL EQUITY HOLDERS, AND (D) REDACT CERTAIN PERSONAL IDENTIFICATION INFORMATION, AND (II) APPROVING NOTICE PROCEDURES FOR CERTAIN CUSTOMERS	Consolidated Creditor Matrix Order	117	June 24, 2020	Yes	June 29, 2020
5	ORDER (A) ENFORCING PROTECTIONS OF SECTIONS 362, 365, 525, AND 541(C) OF	Automatic Stay Comfort Order for Foreign Entities	118	June 24, 2020	Yes	June 29, 2020

	THE BANKRUPTCY CODE AND (B) APPROVING NOTICE TO CUSTOMERS, SUPPLIERS, AND OTHER STAKEHOLDERS OF DEBTORS' NON-DEBTOR GLOBAL AFFILIATES					
6	ORDER AUTHORIZING GNC HOLDINGS, INC. TO ACT AS FOREIGN REPRESENTATIVE OF THE DEBTORS	Foreign Representative Order	120	June 25, 2020	Yes	June 29, 2020
7	INTERIM ORDER AUTHORIZING (A) PAYMENT OF PREPETITION INSURANCE OBLIGATIONS AND PREPETITION BONDING OBLIGATIONS, AND (B) MAINTENANCE OF POSTPETITION INSURANCE COVERAGE AND BONDING PROGRAM	Interim Insurance Order	121	June 25, 2020	Yes	June 29, 2020
8	INTERIM ORDER AUTHORIZING PAYMENT OF PREPETITION TAXES AND FEES	Interim Tax Order	122	June 25, 2020	Yes	June 29, 2020
9	INTERIM ORDER (A) PROHIBITING UTILITY COMPANIES FROM ALTERING OR DISCONTINUING SERVICE ON ACCOUNT OF PREPETITION INVOICES, (B) APPROVING DEPOSIT AS ADEQUATE ASSURANCE OF PAYMENT, (C) ESTABLISHING PROCEDURES FOR RESOLVING REQUESTS BY UTILITY COMPANIES FOR ADDITIONAL ASSURANCE OF PAYMENT, AND (D) AUTHORIZING PAYMENT OF ANY PREPETITION SERVICE FEES	Interim Utilities Order	123	June 25, 2020	Yes	June 29, 2020
10	INTERIM ORDER AUTHORIZING (A) PAYMENT OF CERTAIN PREPETITION FRANCHISE CLAIMS AND (B)	N/A	124	June 25, 2020	No	N/A

	CONTINUED PERFORMANCE UNDER FRANCHISE AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS					
11	INTERIM ORDER AUTHORIZING THE DEBTORS TO (I) MAINTAIN AND ADMINISTER PREPETITION CUSTOMER PROGRAMS AND (II) PAY PREPETITION OBLIGATIONS RELATED THERETO	Interim Customer Programs Order	126	June 25, 2020	Yes	June 29, 2020
12	INTERIM ORDER (A) AUTHORIZING PAYMENT OF PREPETITION LIEN CLAIMS AND IMPORT CLAIMS AND (B) CONFIRMING ADMINISTRATIVE EXPENSE PRIORITY OF OUTSTANDING ORDERS	Interim Lien and Import Claims Order	127	June 25, 2020	Yes	June 29, 2020
13	INTERIM ORDER AUTHORIZING PAYMENT OF CERTAIN PREPETITION CRITICAL VENDOR CLAIMS	Interim Critical Vendors Order	128	June 25, 2020	Yes	June 29, 2020
14	INTERIM ORDER (A) AUTHORIZING PAYMENT OF CERTAIN PREPETITION WORKFORCE OBLIGATIONS, (B) AUTHORIZING CONTINUANCE OF WORKFORCE PROGRAMS, (C) AUTHORIZING PAYMENT OF WITHHOLDING AND PAYROLLRELATED TAXES, AND (D) AUTHORIZING PAYMENT OF PREPETITION CLAIMS OWING TO WORKFORCE PROGRAM ADMINISTRATORS OR PROVIDERS	Interim Wages Order	130	June 25, 2020	Yes	June 29, 2020
15	INTERIM ORDER GRANTING DEBTORS' MOTION FOR INTERIM AND FINAL ORDERS (A) APPROVING PROCEDURES	Interim Store Closing Order	131	June 25, 2020	Yes	June 29, 2020

	FOR STORE CLOSING SALES, (B) AUTHORIZING CUSTOMARY BONUSES TO MANAGERS OF STORES, (C) AUTHORIZING ASSUMPTION OF THE CONSULTING AGREEMENTS AND (D) GRANTING RELATED RELIEF					
16	INTERIM ORDER (A) AUTHORIZING CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM, INCLUDING MAINTENANCE OF EXISTING BANK ACCOUNTS, CHECKS, AND BUSINESS FORMS, (B) AUTHORIZING CONTINUATION OF EXISTING DEPOSIT PRACTICES, (C) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS, AND (D) GRANTING ADMINISTRATIVE CLAIM STATUS TO POSTPETITION INTERCOMPANY CLAIMS	Interim Cash Management Order	132	June 25, 2020	Yes	June 29, 2020
17	INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (III) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (IV) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS, (V) MODIFYING AUTOMATIC STAY, (VI) SCHEDULING A FINAL HEARING, AND (VII) GRANTING RELATED RELIEF	Interim DIP Order	134	June 25, 2020	Yes	June 29, 2020

18	ORDER SCHEDULING OMNIBUS HEARING DATES	N/A	281	July 7, 2020	No	N/A
19	ORDER APPOINTING FEE EXAMINER AND ESTABLISHING PROCEDURES FOR CONSIDERATION OF REQUESTED FEE COMPENSATION AND REIMBURSEMENT OF EXPENSES	N/A	439	July 20, 2020	No	N/A
20	ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS	N/A	461	July 20, 2020	No	N/A
21	ORDER, PURSUANT TO SECTION 107(b) OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 9018 AND LOCAL RULE 9018-1(b), (I) AUTHORIZING THE DEBTORS TO FILE (A) EXHIBIT B TO DEBTORS' MOTION FOR ENTRY OF AN ORDER APPROVING THE KEY EMPLOYEE RETENTION PROGRAM IN REDACTED FORM PUBLICLY, AND (B) UNREDACTED VERSION UNDER SEAL, AND (II) DIRECTING PARTIES TO REDACT CONFIDENTIAL INFORMATION	N/A	462	July 20, 2020	No	N/A
22	ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF LAX O'SULLIVAN LISUS GOTTLIEB LLP AS CANADIAN CONFLICTS COUNSEL TO THE DEBTORS EFFECTIVE AS OF THE PETITION DATE	N/A	463	July 20, 2020	No	N/A
23	ORDER EXTENDING TIME TO FILE INITIAL RULE 2015.3 REPORTS	N/A	464	July 20, 2020	No	N/A

24	ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF PRIME CLERK LLC AS ADMINISTRATIVE ADVISOR TO THE DEBTORS EFFECTIVE AS OF THE PETITION DATE	N/A	465	July 20, 2020	No	N/A
25	FINAL ORDER AUTHORIZING THE DEBTORS TO (I) MAINTAIN AND ADMINISTER PREPETITION CUSTOMER PROGRAMS AND (II) PAY PREPETITION OBLIGATIONS RELATED THERETO	Final Customer Programs Order	466	July 20, 2020	Yes	July 27, 2020
26	ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF EVERCORE GROUP L.L.C. AS INVESTMENT BANKER TO THE DEBTORS EFFECTIVE AS OF THE PETITION DATE	N/A	467	July 20, 2020	No	N/A
27	FINAL ORDER AUTHORIZING (A) PAYMENT OF CERTAIN PREPETITION FRANCHISE CLAIMS AND (B) CONTINUED PERFORMANCE UNDER FRANCHISE AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS	N/A	468	July 20, 2020	N/A	N/A
28	ORDER AUTHORIZING RETENTION OF FTI CONSULTING, INC. AS FINANCIAL ADVISORS FOR THE DEBTORS AND DEBTORS IN POSSESSION	N/A	469	July 20, 2020	No	N/A
29	ORDER APPROVING KEY EMPLOYEE RETENTION PROGRAM	KERP Order	470	July 20, 2020	No	N/A
30	FINAL ORDER (A) AUTHORIZING PAYMENT OF PREPETITION LIEN CLAIMS AND IMPORT CLAIMS AND (B) CONFIRMING ADMINISTRATIVE EXPENSE	Final Lien and Import Claims Order	471	July 20, 2020	Yes	July 27, 2020

	PRIORITY OF OUTSTANDING ORDERS					
31	ORDER AUTHORIZING EMPLOYMENT AND PAYMENT OF PROFESSIONALS UTILIZED IN ORDINARY COURSE OF BUSINESS	N/A	472	July 20, 2020	No	N/A
32	FINAL ORDER AUTHORIZING PAYMENT OF PREPETITION TAXES AND FEES	Final Tax Order	475	July 20, 2020	Yes	July 27, 2020
33	ORDER, PURSUANT TO SECTION 327(a) OF THE BANKRUPTCY CODE, AUTHORIZING THE RETENTION AND EMPLOYMENT OF YOUNG CONAWAY STARGATT & TAYLOR, LLP AS CO-COUNSEL TO THE DEBTORS, EFFECTIVE AS OF THE PETITION DATE	N/A	476	July 20, 2020	No	N/A
34	FIRST (1ST) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF THE PETITION DATE AND (B) GRANTING RELATED RELIEF	First Lease Rejection Order	477	July 20, 2020	Yes	July 27, 2020
35	SECOND (2ND) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF THE PETITION DATE AND (B) GRANTING RELATED RELIEF	N/A	478	July 20, 2020	No	N/A
36	THIRD (3RD) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF THE PETITION DATE AND (B) GRANTING RELATED RELIEF	Third Lease Rejection Order	479	July 20, 2020	Yes	July 27, 2020
37	FOURTH (4TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN	N/A	480	July 20, 2020	No	N/A

	UNEXPIRED LEASES EFFECTIVE AS OF JUNE 29, 2020 AND (B) GRANTING RELATED RELIEF					
38	FIFTH (5TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF JUNE 29, 2020 AND (B) GRANTING RELATED RELIEF	N/A	481	July 20, 2020	No	N/A
39	SIXTH (6TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF JUNE 29, 2020 AND (B) GRANTING RELATED RELIEF	N/A	482	July 20, 2020	No	N/A
40	ORDER (A) AUTHORIZING THE DEBTORS TO RETAIN MPA INC. AS A REAL ESTATE CONSULTANT AND ADVISOR TO THE DEBTORS EFFECTIVE AS OF THE PETITION DATE AND (B) WAIVING CERTAIN REPORTING REQUIREMENTS	N/A	483	July 20, 2020	No	N/A
41	ORDER (A) AUTHORIZING THE DEBTORS TO RETAIN A&G REALTY PARTNERS, LLC AS A REAL ESTATE CONSULTANT AND ADVISOR TO THE DEBTORS EFFECTIVE AS OF THE PETITION DATE AND (B) WAIVING CERTAIN REPORTING REQUIREMENTS	N/A	484	July 20, 2020	No	N/A
42	ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF TORYS LLP AS CANADIAN RESTRUCTURING COUNSEL TO THE DEBTORS EFFECTIVE AS OF THE PETITION DATE	N/A	485	July 20, 2020	No	N/A
43	ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF LATHAM & WATKINS LLP AS BANKRUPTCY CO-COUNSEL	N/A	486	July 20, 2020	No	N/A

	TO THE DEBTORS NUNC PRO TUNC TO THE PETITION DATE					
44	SEVENTH (7TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES, SUBLEASES AND AGREEMENTS EFFECTIVE AS OF JUNE 29, 2020 AND (B) GRANTING RELATED RELIEF	N/A	487	July 20, 2020	No	N/A
45	EIGHTH (8TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES, SUBLEASES AND AGREEMENTS EFFECTIVE AS OF JUNE 29, 2020 AND (B) GRANTING RELATED RELIEF	N/A	488	July 20, 2020	No	N/A
46	FINAL ORDER AUTHORIZING (A) PAYMENT OF PREPETITION INSURANCE OBLIGATIONS AND PREPETITION BONDING OBLIGATIONS, AND (B) MAINTENANCE OF POSTPETITION INSURANCE COVERAGE AND BONDING PROGRAM	Final Insurance Order	493	July 21, 2020	Yes	July 27, 2020
47	FINAL ORDER (A) AUTHORIZING PAYMENT OF CERTAIN PREPETITION WORKFORCE OBLIGATIONS, (B) AUTHORIZING CONTINUANCE OF WORKFORCE PROGRAMS, (C) AUTHORIZING PAYMENT OF WITHHOLDING AND PAYROLLRELATED TAXES, AND (D) AUTHORIZING PAYMENT OF PREPETITION CLAIMS OWING TO WORKFORCE PROGRAM ADMINISTRATORS OR PROVIDERS	Final Wages Order	495	July 21, 2020	Yes	July 27, 2020

48	FINAL ORDER GRANTING DEBTORS' MOTION FOR INTERIM AND FINAL ORDERS (A) APPROVING PROCEDURES FOR STORE CLOSING SALES, (B) AUTHORIZING CUSTOMARY BONUSES TO MANAGERS OF STORES, (C) AUTHORIZING ASSUMPTION OF THE CONSULTING AGREEMENTS AND (D) GRANTING RELATED RELIEF	Final Store Closing Order	496	July 21, 2020	Yes	July 27, 2020
49	FINAL ORDER (A) AUTHORIZING CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM, INCLUDING MAINTENANCE OF EXISTING BANK ACCOUNTS, CHECKS, AND BUSINESS FORMS, (B) AUTHORIZING CONTINUATION OF EXISTING DEPOSIT PRACTICES, (C) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS, AND (D) GRANTING ADMINISTRATIVE CLAIM STATUS TO POSTPETITION INTERCOMPANY CLAIMS	Final Cash Management Order	497	July 21, 2020	Yes	July 27, 2020
50	FINAL ORDER ESTABLISHING CERTAIN NOTICE AND HEARING PROCEDURES FOR TRANSFERS OF, OR WORTHLESSNESS DEDUCTIONS WITH RESPECT TO, COMMON STOCK AND CONVERTIBLE PREFERRED STOCK OF GNC HOLDINGS, INC.	Final Equity Trading NOL Order	498	July 21, 2020	Yes	July 27, 2020
51	ORDER ESTABLISHING BAR DATES AND RELATED PROCEDURES FOR FILING PROOFS OF CLAIM	Bar Date Order	499	July 21, 2020	Yes	July 27, 2020

	(INCLUDING FOR CLAIMS ARISING UNDER SECTION 503(b)(9) OF THE BANKRUPTCY CODE) AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF					
52	FINAL ORDER (A) PROHIBITING UTILITY COMPANIES FROM ALTERING OR DISCONTINUING SERVICE ON ACCOUNT OF PREPETITION INVOICES, (B) APPROVING DEPOSIT AS ADEQUATE ASSURANCE OF PAYMENT, (C) ESTABLISHING PROCEDURES FOR RESOLVING REQUESTS BY UTILITY COMPANIES FOR ADDITIONAL ASSURANCE OF PAYMENT, AND (D) AUTHORIZING PAYMENT OF ANY PREPETITION SERVICE FEES	Final Utilities Order	501	July 21, 2020	Yes	July 27, 2020
53	FINAL ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (III) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (IV) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS, (V) MODIFYING AUTOMATIC STAY, AND (VI) GRANTING RELATED RELIEF	Final DIP Order	502	July 21, 2020	Yes	July 27, 2020
54	FINAL ORDER AUTHORIZING PAYMENT OF CERTAIN PREPETITION CRITICAL VENDOR CLAIMS	Final Critical Vendors Order	544	July 21, 2020	Yes	July 27, 2020
55	ORDER APPROVING (I) THE BIDDING PROCEDURES IN	Bidding Procedures Order	559	July 22, 2020	Yes	July 27, 2020

	CONNECTION WITH THE SALE OF ALL, SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS, (II) THE PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (III) THE FORM AND MANNER OF NOTICE OF THE SALE HEARING, ASSUMPTION PROCEDURES, AND AUCTION RESULTS, (IV) DATES FOR AN AUCTION AND SALE HEARING AND (V) GRANTING RELATED RELIEF					
56	AMENDED FINAL ORDER (A) AUTHORIZING CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM, INCLUDING MAINTENANCE OF EXISTING BANK ACCOUNTS, CHECKS, AND BUSINESS FORMS, (B) AUTHORIZING CONTINUATION OF EXISTING DEPOSIT PRACTICES, (C) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS, AND (D) GRANTING ADMINISTRATIVE CLAIM STATUS TO POSTPETITION INTERCOMPANY CLAIMS	Amended Final Cash Management Order	634	August 5, 2020	Yes	August 25, 2020
57	ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF RIVERON CONSULTING, LLC AS ACCOUNTING ADVISOR TO THE DEBTORS EFFECTIVE AS OF THE PETITION DATE	N/A	655	August 7, 2020	No	N/A
58	ORDER SHORTENING THE NOTICE PERIOD WITH	N/A	668	August 10, 2020	No	N/A

	RESPECT TO THE DEBTORS' MOTION TO MODIFY BIDDING PROCEDURES ORDER					
59	ORDER APPROVING STIPULATION BETWEEN THE DEBTORS AND RAQUEL DIAZ IN HER INDIVIDUAL AND REPRESENTATIVE CAPACITY FOR A PUTATIVE CLASS OF CONSUMER CLAIMANTS	N/A	696	August 13, 2020	No	N/A
60	ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF BAYARD, P.A. AS CO-COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS NUNC PRO TUNC TO JULY 8, 2020	N/A	714	August 14, 2020	No	N/A
61	ORDER AUTHORIZING THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO EMPLOY AND RETAIN MILLER BUCKFIRE & CO., LLC AND STIFEL, NICOLAUS & CO., INC. AS INVESTMENT BANKER EFFECTIVE AS OF JULY 10, 2020	N/A	732	August 17, 2020	No	N/A
62	NINTH (9TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF JULY 30, 2020 AND (B) GRANTING RELATED RELIEF	Ninth Lease Rejection Order	782	August 18, 2020	Yes	August 25, 2020
63	TENTH (10TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF JULY 30, 2020 AND (B) GRANTING RELATED RELIEF	Tenth Lease Rejection Order	783	August 18, 2020	No	N/A
64	ELEVENTH (11TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN	Eleventh Lease Rejection Order	784	August 18, 2020	No	N/A

	UNEXPIRED LEASES, SUBLEASES AND AGREEMENTS EFFECTIVE AS OF JULY 30, 2020 AND (B) GRANTING RELATED RELIEF					
65	ORDER (A) AUTHORIZING REJECTION OF THAT CERTAIN MASTER DEVELOPMENT, DISTRIBUTION AND FRANCHISE AGREEMENT WITH ASIA EARTH REL HONG KONG LIMITED EFFECTIVE AS OF AUGUST 4, 2020 AND (B) GRANTING RELATED RELIEF	N/A	788	August 19, 2020	No	N/A
66	ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT AUDITOR AND TAX ADVISORY SERVICES PROVIDER TO THE DEBTORS EFFECTIVE JUNE 23, 2020	N/A	789	August 19, 2020	No	N/A
67	ORDER AUTHORIZING AND APPROVING THE EMPLOYMENT AND RETENTION OF LOWENSTEIN SANDLER LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, EFFECTIVE AS OF JULY 8, 2020	N/A	802	August 19, 2020	No	N/A
68	ORDER MODIFYING THE BIDDING PROCEDURES ORDER	Further Revised Bidding Procedures Modification Order	810	August 19, 2020	Yes	August 25, 2020
69	ORDER APPROVING (I) THE DEBTORS' ENTRY INTO STALKING HORSE AGREEMENT AND RELATED BID PROTECTIONS AND (II) GRANTING RELATED RELIEF	Stalking Horse Approval Order	811	August 19, 2020	Yes	August 25, 2020

70	ORDER (A) APPROVING THE DISCLOSURE STATEMENT, (B) ESTABLISHING THE VOTING RECORD DATE, VOTING DEADLINE, AND OTHER DATES, (C) APPROVING PROCEDURES FOR SOLICITING, RECEIVING, AND TABULATING VOTES ON THE PLAN AND FOR FILING OBJECTIONS TO THE PLAN, (D) APPROVING THE MANNER AND FORMS OF NOTICE AND OTHER RELATED DOCUMENTS, (E) APPROVING NOTICE AND PROCEDURES FOR THE ASSUMPTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (F) GRANTING RELATED RELIEF	Disclosure Statement Order	820	August 20, 2020	Yes	August 25, 2020
71	ORDER GRANTING DEBTORS LEAVE AND PERMISSION TO FILE REPLIES IN SUPPORT OF (I) THE DISCLOSURE STATEMENT MOTION, AND (II) THE ASIA EARTH REJECTION MOTION	N/A	881	August 21, 2020	No	N/A
72	ORDER AUTHORIZING OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO EMPLOY BERKELEY RESEARCH GROUP, LLC AS FINANCIAL ADVISOR, EFFECTIVE AS OF JULY 10, 2020	N/A	1061	September 4, 2020	No	N/A
73	ORDER AUTHORIZING AND APPROVING THE EMPLOYMENT AND RETENTION OF BORDEN LADNER GERVAIS LLP AS SPECIAL CANADIAN SPECIAL CANADIAN COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,	N/A	1140	September 14, 2020	No	N/A

	NUNC PRO TUNC TO AUGUST 5, 2020					
74	ORDER GRANTING MOTION OF PHD FITNESS LLC d/b/a JYM SUPPLEMENT SCIENCE TO SEAL EXHIBITS TO ITS (I) OBJECTION TO THE DEBTORS' NOTICE OF POTENTIAL ASSUMPTION OF EXECUTORY CONTRACTS OR UNEXPIRED LEASES AND CURE AMOUNTS AND (II) RESERVATION OF RIGHTS WITH RESPECT TO THE DEBTORS' SALE MOTION	N/A	1164	September 15, 2020	No	N/A
75	TWELFTH (12TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF AUGUST 31, 2020 AND (B) GRANTING RELATED RELIEF	N/A	1165	September 15, 2020	No	N/A
76	FOURTEENTH (14TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF AUGUST 31, 2020 AND (B) GRANTING RELATED RELIEF	N/A	1166	September 15, 2020	No	N/A
77	FIFTEENTH (15TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES, SUBLEASES AND AGREEMENTS EFFECTIVE AS OF AUGUST 31, 2020 AND (B) GRANTING RELATED RELIEF	N/A	1167	September 15, 2020	No	N/A
78	THIRTEENTH (13TH) OMNIBUS	Thirteenth Lease Rejection Order	1168	September 15, 2020	Yes	September 22, 2020

	ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF AUGUST 31, 2020 AND (B) GRANTING RELATED RELIEF					
79	ORDER (I) AUTHORIZING AND APPROVING (A) THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES AND (B) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION THEREWITH, AND (II) GRANTING RELATED RELIEF	Sale Order	1202	September 18, 2020	Yes	September 22, 2020
80	SIXTEENTH (16 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1203	September 18, 2020	No	N/A
81	TWENTY-EIGHTH (28 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1204	September 18, 2020	No	N/A
82	SEVENTEENTH (17 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS	N/A	1208	September 18, 2020	No	N/A

	TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES					
83	EIGHTEENTH (18 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1209	September 18, 2020	No	N/A
84	NINETEENTH (19 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1210	September 18, 2020	No	N/A
85	TWENTIETH (20 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1211	September 18, 2020	No	N/A
86	TWENTY-FIRST (21 st) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES	N/A	1212	September 18, 2020	No	N/A

	WITH APPLICABLE FRANCHISEES					
87	TWENTY-SECOND (22 nd) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1213	September 18, 2020	No	N/A
88	TWENTY-THIRD (23 rd) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1214	September 18, 2020	No	N/A
89	TWENTY-FOURTH (24 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1215	September 18, 2020	No	N/A
90	TWENTY-FIFTH (25 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1216	September 18, 2020	No	N/A
91	TWENTY-SIXTH (26 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS	N/A	1217	September 18, 2020	No	N/A

	TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES					
92	TWENTY-SEVENTH (27 th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1218	September 18, 2020	No	N/A
93	OMNIBUS ORDER SHORTENING THE NOTICE PERIOD WITH RESPECT TO THE OMNIBUS MOTIONS OF DEBTORS FOR ORDERS AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES	N/A	1233	September 22, 2020	No	N/A
94	OMNIBUS ORDER SHORTENING THE NOTICE PERIOD WITH RESPECT TO THE OMNIBUS MOTIONS OF DEBTORS FOR ORDERS AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS	N/A	1250	September 25, 2020	No	N/A
95	TWENTY-NINTH (29 th) OMNIBUS ORDER AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES	N/A	1268	September 29, 2020	No	N/A
96	THIRTIETH (30 th) OMNIBUS ORDER AUTHORIZING	N/A	1270	September 29, 2020	Yes	September 30, 2020

	THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES					
97	THIRTY-FIRST (31st) OMNIBUS ORDER AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES	N/A	1271	September 29, 2020	Yes	September 30, 2020
98	THIRTY-SECOND (32nd) OMNIBUS ORDER AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES	N/A	1272	September 29, 2020	Yes	September 30, 2020
99	THIRTY-THIRD (33rd) OMNIBUS ORDER AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES	N/A	1273	September 29, 2020	Yes	September 30, 2020
100	ORDER SCHEDULING OMNIBUS HEARING DATE	N/A	1290	September 30, 2020	No	N/A
101	THIRTY-FOURTH (34th) OMNIBUS ORDER AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS	Thirty-Fourth Assumption and Assignment Order	1298	September 30, 2020	Yes	Recognition Pending
102	THIRTY-FIFTH (35th) OMNIBUS ORDER AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS	Thirty-Fifth Assumption and Assignment Order	1299	September 30, 2020	Yes	Recognition Pending
103	ORDER SHORTENING THE NOTICE PERIOD WITH RESPECT TO THE DEBTORS' MOTION	N/A	1305	October 1, 2020	No	N/A
104	ORDER, PURSUANT TO SECTION 365(d)(4) OF THE BANKRUPTCY CODE, EXTENDING THE DEADLINE BY WHICH THE DEBTORS MUST ASSUME OR REJECT REMAINING UNEXPIRED	Lease Extension Order	1358	October 8, 2020	Yes	Recognition Pending

	LEASES OF NONRESIDENTIAL REAL PROPERTY					
105	ORDER (I) EXTENDING THE DEADLINE BY WHICH THE DEBTORS MAY REMOVE CERTAIN ACTIONS AND (II) GRANTING RELATED RELIEF	Litigation Removal Extension Order	1359	October 8, 2020	Yes	Recognition Pending
106	ORDER APPROVING (A) GLOBAL SETTLEMENT, (B) STALKING HORSE AGREEMENT AMENDMENT, AND (C) PLAN SUPPORT AGREEMENT	Global Settlement Order	1360	October 8, 2020	Yes	Recognition Pending
107	CORRECTED ² THIRTY-FIRST (31 st) OMNIBUS ORDER AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES	Corrected Thirty-First Assumption and Assignment Order	1362	October 8, 2020	Yes	Recognition Pending
108	ORDER SUSTAINING DEBTORS' FIRST OMNIBUS OBJECTION TO PROOFS OF CLAIM SOLELY FOR PURPOSES OF VOTING ON THE THIRD AMENDED JOINT PLAN OF REORGANIZATION FOR GNC HOLDINGS, INC. AND ITS DEBTOR AFFILIATES UNDER CHAPTER 11 OF THE BANKRUPTCY CODE	First Omnibus Objection Order	1389	October 13, 2020	Yes	Recognition Pending
109	THIRTY-SIXTH (36 TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF SEPTEMBER 29, 2020 AND (B) GRANTING RELATED RELIEF	Thirty-Sixth Lease Rejection Order	1390	October 13, 2020	Yes	Recognition Pending
110	THIRTY-SEVENTH (37 TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF	Thirty-Seventh Lease Rejection Order	1392	October 13, 2020	Yes	Recognition Pending

	SEPTEMBER 29, 2020 AND (B) GRANTING RELATED RELIEF					
111	THIRTY-EIGHTH (38TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF SEPTEMBER 29, 2020 AND (B) GRANTING RELATED RELIEF	Thirty-Eighth Lease Rejection Order	1393	October 13, 2020	Yes	Recognition Pending
112	THIRTY-NINTH (39TH) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES, SUBLEASES AND AGREEMENTS EFFECTIVE AS OF SEPTEMBER 29, 2020 AND (B) GRANTING RELATED RELIEF	N/A	1394	October 13, 2020	No	N/A
113	FORTIETH (40th) OMNIBUS ORDER (A) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN UNEXPIRED LEASES TO CERTAIN FRANCHISEES AND (B) REJECTING CERTAIN UNEXPIRED SUBLEASES WITH APPLICABLE FRANCHISEES	N/A	1396	October 13, 2020	No	N/A
114	ORDER (A) DISMISSING CASE OF GNC CHINA HOLDCO, LLC AND (B) AMENDING DEBTORS' CASE CAPTION	Case Caption Order	1411	October 14, 2020	Yes	Recognition Pending
115	FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING SEVENTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF GNC HOLDINGS, INC. AND	Plan Confirmation Order	1415	October 14, 2020	Yes	Recognition Pending

	ITS DEBTOR AFFILIATES UNDER CHAPTER 11 OF THE BANKRUPTCY CODE					
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Appendix C

The Information Officer's Second Report (without appendices)

Court File No. CV-20-00642970-00CL

**GNC Holdings, Inc.,
General Nutrition Centres Company *et al***

SECOND REPORT OF THE INFORMATION OFFICER

August 21, 2020

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,
AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF GNC HOLDINGS, INC., GENERAL NUTRITION
CENTRES COMPANY, GNC PARENT LLC, GNC CORPORATION,
GENERAL NUTRITION CENTERS, INC., GENERAL NUTRITION
CORPORATION, GENERAL NUTRITION INVESTMENT COMPANY,
LUCKY OLDSCO CORPORATION, GNC FUNDING INC., GNC
INTERNATIONAL HOLDINGS INC., GNC CHINA HOLDSCO, LLC, GNC
HEADQUARTERS LLC, GUSTINE SIXTH AVENUE ASSOCIATES,
LTD., GNC CANADA HOLDINGS, INC., GNC GOVERNMENT
SERVICES, LLC, GNC PUERTO RICO HOLDINGS, INC. AND
GNC PUERTO RICO, LLC

APPLICATION OF GNC HOLDINGS, INC., UNDER SECTION 46 OF
THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

**SECOND REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS INFORMATION OFFICER**

INTRODUCTION

1. GNC Holdings, Inc. ("**GNC Holdings**"), an entity registered in the state of Delaware, is the ultimate parent of General Nutrition Centres Company ("**GNC Canada**"). GNC Holdings is also the ultimate parent for those entities listed in **Appendix A** hereto (collectively, with GNC Holdings and GNC Canada, the "**Debtors**"). On June 23, 2020 (the "**Petition Date**"), the Debtors commenced cases under Chapter 11 of the United States Bankruptcy Code (the "**Chapter 11 Cases**") in the U.S. Bankruptcy Court in Delaware (the "**U.S. Court**").

2. On June 24, 2020, GNC Holdings in its capacity as the proposed foreign representative of the Debtors in respect of the Chapter 11 Cases filed an application (the “**Recognition Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) to the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) for:
 - (a) An interim order (Foreign Main Proceeding) granting a stay of proceedings against the Debtors (the “**Interim Stay Order**”);
 - (b) An initial recognition order (the “**Initial Recognition Order**”) recognizing the Chapter 11 Cases and granting, *inter alia*, a stay of proceedings against the Debtors;
 - (c) A supplemental recognition order (the “**Supplemental Order**”) seeking certain relief including the recognition of various orders issued in the Chapter 11 Cases and the appointment of FTI Consulting Canada Inc. (“**FTI Canada**”) as Information Officer (in such capacity, the “**Information Officer**”); and
 - (d) An order (the “**Consulting Agreement Approval Order**”) approving the consulting agreement (the “**Consulting Agreement**”) entered into between GNC Canada and a joint venture comprised of Tiger Asset Solutions Canada, ULC and GA Retail Canada ULC (collectively, the “**Canada Consultant**”).
3. The Interim Stay Order was granted on June 24, 2020. Pursuant to the Interim Stay Order, FTI Consulting Canada Inc. (“**FTI Canada**”), in its capacity as the proposed Information Officer (at that time), established a case website for the Recognition Proceedings at <http://cfcanada.fticonsulting.com/GNCC> (the “**Canada Case Website**”).

4. On June 25, 2020 and June 26, 2020, the U.S. Court granted the First Day Orders to permit the Debtors to continue to operate their business in the ordinary course and to advance their proposed reorganization. The First Day Orders included the Foreign Representative Order, the Interim DIP Order, the Interim Cash Management Order, the Interim Store Closing Order, and the Interim Wages Order, each as defined in the Pre-Filing Report of the Proposed Information Officer dated June 28, 2020 (the “**Pre-Filing Report**”). The U.S. Court also issued an order consolidating the administration of the Chapter 11 Cases for procedural purposes only under Case No. 20-11662.
5. All publicly available information filed in the Chapter 11 Cases is available at <https://cases.primeclerk.com/gnc> (the “**U.S. Case Website**”).
6. On June 29, 2020, the Honourable Madam Justice Conway of the Canadian Court granted:
 - (a) The Initial Recognition Order, *inter alia*, declaring that GNC Holdings is a “foreign representative” as defined in section 45 of the CCAA (the “**Foreign Representative**”), that the centre of main interests for each of the Debtors is the United States of America and recognizing the Chapter 11 Cases as a “foreign main proceeding”;
 - (b) The Supplemental Order, *inter alia*, recognizing several of the First Day Orders, appointing FTI Canada as information officer (the “**Information Officer**”), granting a stay of proceedings against the Debtors and granting a super-priority charge (the “**DIP Lenders’ Charges**”) on the Debtors’ property in Canada for the benefit of GLAS Trust Company LLC, as administrative collateral agent for and on behalf of itself and the other lenders party thereto (the “**DIP Term Lenders**”), and JP Morgan Chase N.A. as administrative agent and collateral agent for an on behalf of themselves and the other lenders party thereto (the “**DIP ABL FILO Lenders**”, and collectively with the DIP Term Lenders, the “**DIP Lenders**”); and

- (c) The Consulting Agreement Approval Order, *inter alia*, recognizing the Interim Store Closing Order in the Chapter 11 Cases, approving the Consulting Agreement and approving and authorizing the Debtors to conduct the going-out-of-business sale process in Canada (the “**GOB Sale**”) in accordance with the Interim Store Closing Order, the Canadian Store Closing Procedures, the Canadian Sale Guidelines (as defined in the Interim Store Closing Order) and the Consulting Agreement.
- 7. As described in the First Report of the Information Officer dated July 24, 2020 (the “**First Report**”), various orders were entered by the U.S. Court on July 20, July 21, and July 22, 2020 (the “**Second Day Orders**”).
 - 8. On July 27, 2020, the Honourable Madam Justice Gilmore of the Canadian Court granted an Order (the “**Second Day Recognition Order**”) recognizing certain of the Second Day Orders, including the Final DIP Order, the Bar Date Order and the Bidding Procedures Order.
 - 9. The purpose of this second report of the Information Officer (the “**Second Report**”) is to provide information to the Canadian Court with respect to the following:
 - (a) GNC Canada’s actual receipts and disbursements for the period from July 19 to August 15, 2020;
 - (b) Events in the Chapter 11 Cases since the date of the Information Officer’s First Report;
 - (c) The stalking horse agreement by and among GNC Holding and certain of its subsidiaries including GNC Canada, and Harbin Pharmaceutical Group Holding Co., Ltd. (“**Harbin**” or the “**Stalking Horse Bidder**”) dated as of August 7, 2020 (as amended by the First Amendment dated August 15, 2020, and the Second Amendment dated August 19, 2020, the “**Stalking Horse Agreement**”);

- (d) The Third Amended Joint Chapter 11 Plan of Reorganization of the Debtors Under Chapter 11 of the Bankruptcy Code (the “**Third Amended Plan**”) and the Disclosure Statement for the Third Amended Plan (the “**Third Disclosure Statement**”) filed by the Debtors on August 17, 2020; and
- (e) The Foreign Representative’s request for an order recognizing the August 25 Recognition Orders (as defined later in this Report) and the Information Officer’s recommendations thereon.

TERMS OF REFERENCE

- 10. In preparing this Second Report, the Information Officer has relied upon unaudited financial information of the Debtors, the Debtors’ books and records, certain financial information prepared by the Debtors and discussions with various parties, including the Canada Consultant and other various legal, financial, and other advisors to the Debtors (collectively, the “**Information**”).
- 11. Except as described in this Second Report:
 - (a) The Information Officer has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) The Information Officer has not examined or reviewed financial forecasts and projections referred to in this Second Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
- 12. The Information Officer has prepared this Second Report in connection with the Debtors’ motion for recognition of the August 25 Recognition Orders, which is scheduled to be heard on Tuesday, August 25, 2020 (the “**August 25 Recognition Hearing**”), and this Second Report should not be relied on for any other purposes.

13. Future oriented financial information reported or relied on in preparing this Second Report is based on the assumptions of management of the Debtors (“**Management**”) regarding future events; actual results may vary from forecast and such variations may be material.
14. Unless otherwise stated, all monetary amounts contained herein are expressed in **United States Dollars**. Capitalized terms not otherwise defined herein have the meanings defined in the Initial Tolivar Affidavit, the U.S. First Day Declarations, the Pre-Filing Report or the First Report.

EXECUTIVE SUMMARY

15. In summary, for the reasons set out in this Second Report, the Information Officer is of the view that:
 - (a) The Bid Protections granted are reasonable and appropriate; and
 - (b) Recognition of the August 25 Recognition Orders by the Canadian Court is appropriate in the circumstances.
16. Accordingly, the Information Officer respectfully recommends that the Foreign Representative’s request for an Order recognizing the August 25 Recognition Orders be granted by this Honourable Court.

RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO AUGUST 15, 2020

17. GNC Canada’s actual net cash flow for the period from July 19 to August 15, 2020 was approximately \$5.7 million better than the July 20 Forecast as summarized below:

	Forecast	Actual	Variance
	US\$000	US\$000	US\$000
Receipts	4,425	5,062	637
Operating Disbursements			
Merchandise Vendors	(2,793)	0	2,793
Non-Merchandise Vendors	(1,153)	(350)	803
Payroll & Employee Related Disbursements	(1,065)	(725)	340
Occupancy Disbursements	(949)	(949)	0
Sales Taxes	(157)	(273)	(116)
Capital Expenditures	(53)	0	53
Corporate and Other Disbursements	(140)	(64)	76
Total Operating Disbursements	(6,310)	(2,361)	3,949
Net Operating Cash Flow	(1,885)	2,701	4,586
Professional Fees	(259)	(151)	108
Liquidation Disbursements	(1,031)	(44)	987
Net Cash Flow	(3,175)	2,506	5,681
Cash, opening balance	4,982	4,982	0
Net Cash Flow	(3,175)	2,506	5,681
Cash Transfers from/(To) GNC US	0	0	0
Cash, ending balance	1,807	7,488	5,681

18. Explanations for the key variances in actual receipts and disbursements as compared to the July 20 Forecast are as follows:

- (a) The favourable variance of approximately \$0.6 million in receipts is comprised of the following:
 - (i) A favourable variance of approximately \$0.7 million pertaining to the receipt of a 2019 corporate tax refund that was not forecast as the amount and timing of receipt of any potential refund was unknown when the July 20 Forecast was finalized;

- (ii) An unfavourable variance of approximately \$0.2 million in receipts at GOB Stores believed to result from lower discounting on merchandise during certain weeks of the forecast than the July 20 Forecast had contemplated in order to maintain higher margins. GNC Canada is of the view that this is a timing variance which will reverse in future periods; and
 - (iii) An unfavourable variance of approximately \$0.1 million at stores that are not in the GOB Sale due to lower than forecast volume of sales.
- (b) The favourable variance of \$2.8 million for merchandise vendors is comprised of the following:
- (i) A favourable variance of approximately \$0.8 million pertaining to the estimated payment in the July 20 Forecast of claims under Section 503(b)(9) of the U.S. Bankruptcy Code, which provided “administrative priority” for goods and services delivered to the Debtors in the twenty days prior to the Petition Date. The estimated amount pertaining to GNC Canada was originally scheduled to be paid by GNC Canada; however, the amount was instead funded by the U.S. Debtors resulting in the variance noted. GNC Canada expects to transfer their portion of the amount owing in the coming weeks; and
 - (ii) A \$2.0 million favourable timing variance that is expected to reverse in future periods. Merchandise vendors that have shipped goods to GNC Canada continue to provide better payment terms than had been assumed. The Debtors also continue to be in discussions with merchandise vendors who have placed shipments to GNC Canada on hold pending completion of the negotiation of go-forward supply arrangements and outstanding balances;

- (c) The favourable variance of \$0.8 million for non-merchandise vendors is a timing variance that is expected to reverse in future periods. The variance arose as many vendors continue to provide better payment terms than had been assumed while other forecast disbursements have been temporarily pending delivery of goods and services in the coming week;
- (d) The favourable variance of \$0.3 million for payroll and employee-related disbursements is comprised of the following:
 - (i) A favourable timing variance of \$0.2 million in estimated severance, termination, and vacation pay costs that are expected to be paid in future periods as final documentation is agreed to and executed by employees and payments are issued; and
 - (ii) A permanent variance of approximately \$0.1 million arising from reduced staffing needs at the stores than had been forecast.
- (e) The favourable variance of approximately \$0.1 million in professional fees is a timing variance expected to reverse in future periods; and
- (f) The favourable variance of approximately \$1.0 million in liquidation disbursements is a timing variance expected to reverse in future periods once invoices are received from the Canada Consultant pursuant to Consulting Agreement.

EVENTS IN THE CHAPTER 11 CASES SINCE THE FIRST REPORT

CLAIMS PROCEDURE

19. Pursuant to the Bar Date Order, the Debtors served the Bar Date Package (as defined in the Bar Date Order and comprised of the Bar Date Notice and a Proof of Claim Form) on all known creditors, including those located in Canada, and on the service list in the Recognition Proceedings, via prepaid postage first-class U.S. mail on or before July 28, 2020.
20. Also pursuant to the Bar Date Order, the Debtors caused the Publication Notice to be published in *The Globe and Mail (National Edition)* on July 28, and July 29, 2020, and in French in *La Presse* on July 30, and July 31, 2020. A copy of the Bar Date Notice and Proof of Claim Form was also posted on the Canada Case Website.

BIDDING PROCEDURES

21. As discussed in the First Report, the Bidding Procedures Order contemplated that the Debtors could execute a stalking horse agreement and file a Notice of Filing of Stalking Horse Agreement (the “**Stalking Horse Notice**”) on or before August 4, 2020. No Stalking Horse Notice was filed by that deadline and, accordingly, pursuant to paragraph 10 of the Bidding Procedures Order, the original dates noted in the Sale Notice were modified as follows (all times noted are prevailing Eastern Time):

Key Date	Original Date	Modified Date
Sale Objection Deadline	August 21, 2020 at 4:00 p.m.	August 28, 2020 at 4:00 p.m.
Bid Deadline	September 4, 2020 at 4:00 p.m.	September 11, 2020 at 4:00 p.m.
Auction Date	September 8, 2020 at 10:00 a.m.	September 15, 2020 at 11:00 a.m.
Reply and Auction Objection Deadline	September 9, 2020 at 4:00 p.m.	September 16, 2020 at 5:00 p.m.
Sale Hearing	September 14, 2020 at 1:00 p.m.	September 17, 2020 at 1:00 p.m.
Adequate Assurance Objection Deadline	September 15, 2020 at 8:00 p.m.	September 22, 2020 at 8:00 p.m.
Adequate Assurance Hearing	September 18, 2020 at 2:00 p.m.	September 29, 2020 at 1:00 p.m.

22. Subsequently, on August 7, 2020, the Debtors executed the Stalking Horse Agreement and filed a motion seeking an Order (the “**Bidding Procedures Modification Order**”) to extend the deadline by which the Debtors may enter into a Stalking Horse Agreement from August 3, 2020, to August 7, 2020.
23. On August 10, 2020, the Debtors filed the Notice of Filing of Adequate Assurance Information with Respect to Proposed Stalking Horse Bidder (the “**Adequate Assurance Notice**”).
24. An August 19, 2020, the Debtors filed a Notice of Filing of Further Modified Proposed Bidding Procedures Order, which proposed certain revisions to the Bidding Procedures Modification Order and the related Revised Bidding Procedures, resulting in the “**Further Revised Bidding Procedures Modification Order**” and the “**Further Revised Bidding Procedures**”.
25. The Stalking Horse Agreement, the Further Revised Bidding Procedures Modification Order and the Adequate Assurance Notice are each discussed in more detail later in this Report.

ASSUMPTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

26. On July 31, 2020, the Debtors filed a Notice of Potential Assumption of Executory Contracts or Unexpired Leases and Cure Amounts (the “**Assignment Notice**”) pursuant to the Bidding Procedures Order. The Assignment Notice states:
 - (a) That the Debtors may seek the assumption and assignment of certain executory contracts and unexpired leases (collectively, the “**Assigned Contracts**” and each an “**Assigned Contract**”) to the Successful Bidder in connection with a Sale Transaction; and

- (b) The amounts which the Debtors believe are owing to the respective counterparties to the Assigned Contracts to cure any monetary defaults existing under each Assigned Contract as of the Petition Date (the “**Cure Costs**”).
27. Pursuant to the procedures outlined in the Bidding Procedures Order (the “**Assumption Procedures**”), objections to the proposed assumption and assignment of an Assigned Contract (a “**Contract Objection**”), including any objection relating to the Cure Cost or adequate assurance of future performance by any Stalking Horse Bidder must be made as prescribed in the Assumption Procedures and be filed and served with the U.S. Court by no later than the Sale Objection Deadline of August 28, 2020 at 4:00 p.m. (prevailing Eastern Time), subject to certain extended deadlines and procedures should the Debtors add additional Assigned Contract(s) after July 31, 2020.

SECTION 341 MEETING

28. On August 5, 2020, the Section 341 Meeting was held telephonically to provide creditors and parties in interest an opportunity to examine the Debtors’ financial affairs. The Section 341 Meeting was adjourned pending receipt of additional information from the Debtors.

THE THIRD AMENDED PLAN AND THIRD DISCLOSURE STATEMENT

29. As noted in the First Report, on July 15, 2020, the Debtors filed a preliminary joint plan of reorganization for the resolution of the outstanding claims against, and equity interests in, the Debtors (the “**Preliminary Plan**”).
30. On August 7, 2020, the Debtors filed an Amended Joint Chapter 11 Plan of Reorganization of the Debtors Under Chapter 11 of the Bankruptcy Code (the “**First Amended Plan**”) and the Disclosure Statement for the First Amended Plan (the “**First Disclosure Statement**”).
31. On August 12, 2020, the Debtors filed a Second Amended Joint Chapter 11 Plan of Reorganization (the “**Second Amended Plan**”) and the Disclosure Statement for the Second Amended Plan (the “**Second Disclosure Statement**”).

32. On August 17, 2020, the Debtors filed a Third Amended Joint Chapter 11 Plan of Reorganization (the “**Third Amended Plan**”) and the Disclosure Statement for the Third Amended Plan (the “**Third Disclosure Statement**”). The Third Amended Plan and Third Disclosure Statement are discussed in further detail later in this Report.

ORDERS ISSUED IN THE CHAPTER 11 PROCEEDINGS SINCE THE DATE OF THE FIRST REPORT

33. A number of Orders have been issued by the U.S. Court since the date of the First Report of which the Debtors are not seeking recognition by the Canadian Court. Those Orders include the following (and exclude Orders granting motion for admission *pro hac vice*):
- (a) *Order authorizing the employment and retention of Riveron Consulting, LLC as accounting advisor to the Debtors effective as of the Petition Date, granted August 7, 2020;*
 - (b) *Order shortening the notice period with respect to the Debtors’ motion to modify Bidding Procedures Order, granted August 10, 2020;*
 - (c) *Order approving stipulation between the Debtors and Raquel Diaz in her individual and representative capacity for a putative class of consumer claimants, granted August 13, 2020;*
 - (d) *Order authorizing employment and retention of Bayard, P.A. as co-counsel to the Official Committee of Unsecured Creditors, granted August 14, 2020;*
 - (e) *Order authorizing the Official Committee of Unsecured Creditors to employ and retain Miller Buckfire & Co., LLC and Stifel, Nicolaus & Co., Inc. as investment banker, granted August 17, 2020;*
 - (f) *Order authorizing the employment and retention of PricewaterhouseCoopers LLP as independent auditor and tax advisory services provider to the Debtors, granted August 19, 2020;*

- (g) *Tenth (10th) omnibus Order (a) authorizing rejection of certain unexpired leases effective as of July 30, 2020 and (b) granting related relief (the “**Tenth 10th Lease Rejection Order**”), granted August 19, 2020;*
 - (h) *Eleventh (11th) omnibus Order (a) authorizing rejection of certain unexpired leases, subleases and agreements effective as of July 30, 2020 and (b) granting related relief (the “**Eleventh Lease Rejection Order**”), granted August 19, 2020;*
 - (i) *Order (a) authorizing rejection of that certain master development, distribution and franchise agreement with Asia Earth REL Hong Kong Limited effective as of August 4, 2020 and (b) granting related relief, granted August 19, 2020; and*
 - (j) *Order authorizing and approving the employment and retention of Lowenstein Sandler LLP as counsel to the Official Committee of Unsecured Creditors effective as of July 8, 2020, granted August 19, 2020.*
34. The Debtors are seeking recognition by the Canadian Court of the following Orders issued by the U.S. Court since the date of the First Report (collectively, the “**August 25 Recognition Orders**”):
- (a) *Amended final Order (a) authorizing continued use of existing cash management system, including maintenance of existing bank accounts, checks, and business forms, (b) authorizing continuation of existing deposit practices, and (d) granting administrative claim status to postpetition intercompany claims (the “**Amended Final Cash Management Order**”) granted August 5, 2020;*
 - (b) *Debtors’ ninth (9th) Omnibus Order (a) authorizing rejection of certain unexpired leases effective as of July 30, 2020 and (b) granting related relief (the “**Ninth Lease Rejection Order**”) granted August 18, 2020;*

- (c) *Order modifying the bidding procedures order* (the “**Further Revised Bidding Procedures Modification Order**”) granted August 19, 2020;
 - (d) *Order (a) approving the disclosure statement, (b) establishing the voting record date, voting deadline, and other dates, (c) approving procedures for soliciting, receiving, and tabulating votes on the plan and for filing objections to the plan, (d) approving the manner and forms of notice and other related documents, (e) approving notice and procedures for the assumption of executory contracts and unexpired leases, and (f) granting related relief* (the “**Disclosure Statement Order**”) granted August 20, 2020; and,
 - (e) *Order approving (i) the Debtors’ entry into stalking horse agreement and related bid protections and (ii) granting related relief* (the “**Stalking Horse Approval Order**”).
35. The August 25 Recognition Orders are described in more detail later in this Report.
36. For ease of reference, a summary of all Orders entered in the Chapter 11 Cases and the status of each order vis-à-vis the Recognition Proceedings (the “**Chapter 11 Order Summary**”) has been prepared by the Information Officer and posted to the Canadian Case Website. A copy of the Chapter 11 Order Summary is attached hereto as **Appendix B**.

THE STALKING HORSE AGREEMENT

37. As described in the Pre-Filing Report of the Proposed Information Officer, prior to the commencement of the Chapter 11 Proceedings, the Debtors negotiated a standalone plan of reorganization with certain of their secured lenders (the “**Restructuring**”), the details of which were memorialized in a signed restructuring support agreement (the “**Restructuring Support Agreement**”). The Restructuring Support Agreement contemplates a comprehensive restructuring that is supported by the Debtors and their major prepetition secured creditors.

38. The Pre-Filing Report of the Proposed Information Officer also informed the Court that in addition to the Restructuring Support Agreement, the Debtors, a significant majority of the Supporting Secured Lenders, and the Proposed Buyer had reached an agreement in principle for the sale of the Debtors' business (the "**Sale Transaction**"). The Sale Transaction contemplated a \$760 million purchase price for a going-concern sale of the Debtors' business, which would be executed through an auction process under section 363 of the United States Bankruptcy Code, during which higher and better bids may be presented. At that time, the Sale Transaction remained subject to definitive documentation acceptable to the Debtors, the Supporting Secured Lenders and the Proposed Buyer. It was contemplated that, if the Sale Transaction was timely documented and selected as the winning bid in the 363 auction, it would be implemented instead of the Restructuring.
39. The Sale Transaction was ultimately memorialized in the Stalking Horse Agreement. Harbin holds approximately 41% of the equity of GNC Holdings, is its largest shareholder, and has the right to designate up to five individuals (the "**Harbin Designees**") to serve on the board of directors of GNC Holdings. Of the five Harbin Designees, two are independent directors per regulatory requirements, and none of the Harbin Designees are on the special committee of the board of directors of GNC Holdings in charge of any and all decision making regarding the sale and restructuring processes underway.

KEY TERMS OF THE STALKING HORSE AGREEMENT

40. The key terms by category of the Stalking Horse Agreement, a copy of which is attached hereto as **Appendix C** without schedules, are summarized below:
- (a) Structure: Harbin is to purchase a newly formed subsidiary ("**GNC Newco**") of the Debtors to which substantially all of the assets and certain specified liabilities of the Debtors, together with equity interests in certain non-filed subsidiaries will be transferred immediately before closing;
 - (b) Purchase price: The aggregate purchase price of \$770 million (subject to certain adjustments), is comprised of:

- (i) \$550 million in cash consideration, subject to adjustments set forth in the Stalking Horse Agreement (the “**Cash Purchase Price**”). The Cash Purchase Price will be funded from the proceeds of a \$400 million Senior Secured Term Loan Bank of China Facility (the “**BOC Facility**”) and a \$150 million subordinated financing, which may be refinanced with senior indebtedness under certain circumstances (the “**Aland Subordinated Facility**”);
 - (ii) The issuance of an aggregate principal amount of Second Lien Loans equal to \$210 million by GNC Newco to the Term Loan B Lenders, subject to adjustments as set forth in the Stalking Horse Agreement (the “**Second Lien Loans**”);
 - (iii) The issuance of \$10 million in subordinated “PIK” convertible notes (the “**Junior Convertible Notes**”) to the Debtors general unsecured creditors under a plan of reorganization, subject to certain conditions, including support of the transaction and Plan; and
 - (iv) The assumption of the Assumed Liabilities, which includes the payment of cure costs and assumption of certain liabilities, including most operating liabilities;
- (c) Purchase price adjustments: The Purchase Price Adjustments are noted in section 3.4 of the Stalking Horse Agreement and include the following provisions:

- (i) At least three days prior to the Closing, the Seller shall prepare and deliver to the Buyer a statement (the “**Estimated Closing Statement**”) setting forth the Seller’s estimate of: i) the Target Cash Amount¹; ii) the Company Cash representing all Cash of the Seller and its Subsidiaries as of the Closing; iii) the Cash Reduction Amount²; iv) the Cash Purchase Price equal to \$550,000,000 minus the Deposit plus the Cash Increase Amount³; v) the Second Lien Loans Amount of \$210,000,000, plus the Shortfall Adjustment Amount meaning an amount equal to the Cash Shortfall minus the Cash Reduction Amount, plus the Second Lien Loans Adjustment Amount of \$410,000,000 minus \$210,000,000 plus the Shortfall Adjustment Amount minus the TLB Cash Distribution Amount; vi) the Excluded Cash; and, vii) the Estimated TLB Cash Distribution Amount⁴; and
- (ii) On the Closing Date, the Seller shall prepare and deliver a statement (the “**Final Closing Statement**”) with the Seller’s updated good faith estimates of the amounts noted in paragraph (i) above, which amounts shall be final for all purposes of the Stalking Horse Agreement absent manifest error;

¹ The Target Cash Amount means an amount equal to (a) \$61,145,000 plus (b) the Closing Cure Payment Amount, minus (c) the pro rata portion of all prepaid rent under the Assumed Real Property Leases paid by the Selling Entities or their Subsidiaries on or prior to the Closing for any period occurring from and after the Closing.

² The Cash Reduction Amount means: a) if the Cash Shortfall, meaning the amount if any by which the Target Cash Amount exceeds the Company Cash Pre-Adjustment, is less than \$5,000,000, \$0; b) if the Cash Shortfall is equal to or greater than \$5,000,000 and less than \$10,000,000, an amount equal to the Cash Shortfall minus \$5,000,000; and, c) if the Cash Shortfall is equal to or greater than \$10,000,000, \$5,000,000.

³ The Cash Purchase Price may be further reduced in accordance with the definition of “Purchased Cash”.

⁴ The Estimated TLB Cash Distribution means means the estimated cash distribution to be made under the Plan by the Selling Entities to the holders of Allowed Tranche B-2 Term Loan Secured Claims (as defined in the Plan) and the holders of TLB Allowed DIP Term Roll-Up Loan Claims (as defined in the Plan), in each case in respect of such Allowed Tranche B-2 Term Loan Claims and TLB Allowed DIP Term Roll-Up Loan Claims, as determined in good faith by the Selling Entities, subject to certain adjustments.

- (d) DIP repayment: The Stalking Horse Agreement contemplates that the DIP Obligations (including the ABL FILO DIP Claims) shall be paid in full at Closing provided that \$200 million of the Cash Purchase Price will be repaid to holders of Tranche B-2 Term Loan Claims (the “**TLB Lenders**”), which includes amounts anticipated to be paid on account of the roll-up Term Loan B DIP Obligations, and that sum is subject to adjustment for the Debtors’ performance through Closing, Exit Costs, Cure Payments, and the costs associated with the administration of the Chapter 11 Cases. If the TLB Lenders expect to receive less than \$185 million of cash from the Sale after considering estimates for these items, which includes amounts to be paid on account of the roll-up Term Loan B DIP Obligations, the Debtors would have an option of not consummating the Sale. For any shortfall in cash consideration to the TLB Lenders below \$200 million, the Second Lien Loans would increase dollar-for-dollar to ensure that the consideration paid to the TLB Lenders is no less than \$410 million, subject to certain limitations. If the Debtors are performing better than projected through closing such that cash available exceeds \$200 million, the excess would be used to pay down some of the notes;
- (e) Overview of treatment of creditors: The table below provides a summary of the treatment of various creditors under the Stalking Horse Agreement:

Creditor	Treatment
FILO DIP	• Paid in full in cash
Term Loan DIP (\$100 million “new money”)	• Paid in full in cash
TLB-2 Lenders (Term Loan DIP roll-up portion and prepetition Term Loan B2)	• \$200 million, reduced by certain closing adjustments based on emergence liquidity

	<ul style="list-style-type: none">• \$210 million Second Lien Loans, increased dollar-for-dollar by decrease in cash paydown
Unsecured creditors	<ul style="list-style-type: none">• \$10 million Junior Convertible Notes

- (f) Capitalization of GNC Newco: The capitalization of GNC Newco, designed in part to provide liquidity post-closing, will be as follows:
- (i) \$400 million BOC Facility guaranteed by Harbin and IVC;
 - (ii) \$210 million Second Lien Loans (subject to adjustment as provided above);
 - (iii) \$150 million Aland Subordinated Facility; and
 - (iv) \$10 million Junior Convertible Notes (subject to their issuance as provided above);.
- (g) Bid Protections: The proposed Bid Protections, should a Third-Party Sale or Restructuring Transaction be consummated, consist of a Termination Fee in the amount of \$15.2 million and an Expense Reimbursement in a maximum amount not to exceed \$3 million. The Debtors are obligated to pay Harbin the Bid Protections if:
- (i) Harbin is not selected as the successful bidder at any auction, and at such time Harbin was not in material breach;
 - (ii) The Debtors consummate a standalone plan of reorganization at a time when Harbin was not in breach of any of its obligations and is prepared to consummate the Sale; or

- (iii) The Expense Reimbursement only will be payable if Harbin terminates the agreement due to the Debtors' uncured breach regardless of whether a third-party sale or standalone plan is consummated;

- (h) Deposit: The Buyer is to provide a deposit of \$57 million, representing approximately 7.5% of the aggregate purchase price of \$770 million, into a segregated escrow account, which will be released to the Debtors at Closing in partial satisfaction of the cash purchase price, or upon forfeiture in the event of a Buyer Default Termination;

- (i) Mutual termination rights: The Sale can be terminated by either party if:
 - (i) Closing does not occur by the Outside Date of October 15, 2020;
 - (ii) Transactions are illegal, or there is an order blocking the transaction; however, the Buyer may not terminate if this is due to a failure to obtain required People's Republic of China ("**PRC**") approvals (the "**PRC Approvals**");
 - (iii) The Bidding Procedures are revoked/invalidated;
 - (iv) Sale Order of the U.S. Court is not entered by September 24, 2020, or recognition by the Canadian Court is not entered by September 26, 2020;
 - (v) There is an uncured material breach of a party's representations and covenants;
 - (vi) There is an uncured material breach of a party's representations and covenants; or
 - (vii) The Bidding Protections are revoked/invalidated;

- (j) Debtor(s) termination rights: The Debtors could terminate the Sale, but the Buyer would not forfeit the Deposit, if the Estimated TLB Cash Distribution Amount is not at least \$185 million (subject to Buyer's right to cure by increasing the cash portion of the purchase price by the shortfall). The Debtors can also terminate, with the Deposit forfeited, if:
- (i) There is a Financing Failure Event, subject to Harbin's right to obtain alternative financing prior to the Outside Date;
 - (ii) Harbin fails to obtain required PRC Approvals within 3 business days of other closing conditions being satisfied;
 - (iii) Harbin's "Related Party" tax representation becomes untrue in any respect at any time;
 - (iv) Conditions precedent under Second Lien Loan documents are not satisfied or there is a default that is not cured prior to the Outside Date; and
 - (v) The vendor financing agreement is not effective when all other conditions are satisfied;
- (k) Buyer termination rights: The Buyer can terminate the sale if:
- (i) The Debtors enter into a third-party sale and the Buyer is not the Back-up Bidder at the Auction, or in any case, if a Third-Party Sale is eventually consummated; or
 - (ii) The Chapter 11 Cases are dismissed or converted to Chapter 7 Cases and neither such dismissal nor conversion expressly contemplates the transactions provided for in the Stalking Horse Agreement;
- (l) Key closing conditions: The key closing conditions are as follows:

- (i) The Sale Order must be entered by the U.S. Court in the Chapter 11 Cases and recognized by the Canadian Court in the Recognition Proceedings by September 24, 2020, and September 26, 2020, respectively;
 - (ii) The Estimated TLB Distribution Amount is at least \$185 million;
 - (iii) Vendor financing agreement must not be amended and must be effective at Closing;
 - (iv) Delivery of Cash Purchase Price and the concurrent effectiveness of the Second Lien Loans;
 - (v) Receipt of required regulatory clearances;
 - (vi) Mutual compliance with covenants in all material respects by both the Debtors and Harbin; and
 - (vii) A bring-down of the representations and warranties made at the time of entrance into the Stalking Horse Agreement to applicable standards as of the Closing;
- (m) U.S. Court filing requirements: Upon execution, the Stalking Horse Agreement must be filed with the U.S. Court, and the related agreements pertaining to the Second Lien Loans are to be filed shortly thereafter. The Further Revised Bidding Procedures Modification Order, as described below in this Second Report, must also be sought to extend the deadline to select a Stalking Horse Bidder, and the U.S. Court must designate Harbin as the Stalking Horse Bidder and approve the related Bid Protections. Remaining documentation, including financing documentation, is to be filed with the U.S. Court as and when they are finalized between execution of the Stalking Horse Agreement and Closing;

- (n) Purchase and Sale of Assets: The Selling Entities shall sell, assign, convey, transfer and deliver to GNC Newco, all of the Seller's and its Subsidiaries' right, title and interest, free and clear of all Encumbrances (other than Permitted Encumbrances) to the Purchased Assets, which are to include all right, title and interest in and to, and include the following:
- (i) **Cash**: All Purchased Cash as of the Closing, which is subject to certain formulaic adjustments that could reduce the Cash Purchase Price if Company Cash is less than the Target Cash pursuant to certain thresholds as of the Closing;
 - (ii) **Accounts Receivable**: All Accounts Receivable of the Selling Entities as of the Closing excluding intercompany obligations and accounts receivable of any Selling Entity owed to it by another Selling Entity;
 - (iii) **Inventory**: All Inventory and materials of the Selling Entities as of the Closing;
 - (iv) **Advances, prepaid assets, deposits and prepayments**: All royalties, advances, prepaid assets, security and other deposits, prepayments and other current assets relating to the Business, the Assumed Agreements, and the Assumed Real Property Leases as of the Closing;
 - (v) **Non-Real Property Contracts**: All contracts to which any Selling Entity is a party other than the Real Property Leases as listed in the Seller Disclosure Schedule (the "**Assumed Agreements**") assumed and assigned to GNC Newco;

- (vi) **Real Property Leases:** All leases, subleases, and other occupancy Contracts with respect to real property to which any Selling Entity is a party listed in the Seller Disclosure Schedule (the “**Assumed Real Property Leases**”) assumed and assigned to GNC Newco;
- (vii) **Seller IP:** All GNC Names and Marks and all other Seller IP, including all Intellectual Property and Intellectual Property Rights owned by the Selling Entities;
- (viii) **Purchase Orders:** All open purchase orders with customers and suppliers;
- (ix) **Equipment, furniture, fixtures, and leasehold improvements:** All items of machinery, equipment, supplies, furniture, fixtures, leasehold improvements, and other tangible property and fixed assets owned by the Selling Entities;
- (x) **Books and records:** All books, records, information, files, data, marketing materials, and similar items, including customer and supplier lists and mailing lists;
- (xi) **Owned Real Property:** All real property owned by the Selling Entities as of the Closing as listed in the Seller Disclosure Schedule;
- (xii) **Equity Interests:** All of the stock or other equity interests owned by the Selling Entities in the Persons listed in the Seller Disclosure Schedule;
- (xiii) **Goodwill and intangible assets:** All goodwill and other intangible assets associated with the Business or the Purchased Assets;

- (xiv) **Websites, domain names, telephone, fax and email addresses:**
All rights to the noted communication paths and the right to receive mail and other communications addressed to the Selling Entities;
and
- (xv) **All other assets:** All other assets that are related to or used in connection with the Business and that are owned by any Selling Entity as of the Closing;
- (o) Excluded Assets: The Purchased Assets do not include the Excluded Assets, which include the following:
 - (i) **Certain records and documents:** Certain records, documents or other information are Excluded Assets including those that pertain to Employees that are not Transferred Employees, minute books and corporate books and records of the Selling Entities, and similar items that exclusively relate to any Excluded Assets or Excluded Liabilities;
 - (ii) **Selling Entities' rights:** Any right of the Selling Entities under the Stalking Horse Agreement and other transaction documents, including all cash and non-cash consideration payable to the Selling Entities;
 - (iii) **Excluded agreements and real property leases:** Any contracts other than the Assumed Agreements and the Assumed Real Property Leases, together with all related prepaid assets;
 - (iv) **Intercompany obligations:** Any accounts receivable or other intercompany obligations of any Selling Entity owed to it by any other Selling Entity; and
 - (v) **Excluded Cash:** Any Company Cash other than Purchased Cash;

- (p) Assumed Liabilities: GNC Newco shall assume and agree to pay, perform and discharge when due the Assumed Liabilities, which include the following:
- (i) **Current Liabilities**: All Liabilities relating to the Purchased Assets that are properly characterized as current liabilities of the Selling Entities as of the Closing, excluding a) any indebtedness for borrowed money, b) any Liabilities that are General Unsecured Claims or Subordinated Securities Claims (as defined in the Plan), and c) any Liabilities listed as Excluded Liabilities in section 2.4 of the Stalking Horse Agreement;
 - (ii) **Consumer Liabilities**: All Liabilities of the Selling Entities with respect to consumers including returns of goods or merchandise, store or customer credits, gift cards and certificates, customer prepayments and overpayments, customer loyalty obligations or programs, refunds, warranty obligations, returns of goods sold by licensees;
 - (iii) **Assumed Agreements and Real Property Leases**: All Liabilities of the Selling Entities arising under the Assumed Agreements and Assumed Real Property Leases, and under open purchase orders with customers and suppliers that constitute Purchased Assets;
 - (iv) **Payments to Acquired Subsidiaries**: The accounts payable and other intercompany obligations of the Selling Entities owed to the Acquired Subsidiaries;
 - (v) **Employee-related liabilities**: GNC Newco is responsible for certain employee related liabilities, which include the following:

- a) Closing Payroll Period: Processing and payment of amounts owing, including all applicable payroll and other taxes, for the payroll period in which the Closing Date falls with respect to each Employee employed at any time during the Closing Payroll Period excluding Retained Employees retained by the Selling Entities after the Closing Date;
- b) Accrued wages, vacation, termination and severance: From and after Closing with respect to each Terminated Employee, the Buyer shall assume, pay and discharge the Liabilities of the Selling Entities for: i) all deferred salary, wages, unused vacation, sick days, personal days or leave earned by such Terminated Employee; ii) any severance obligations or Liabilities, including any obligations or Liabilities that arise under an employee incentive or retention program;
- c) Buyer Benefit Plan: Transferred Employees shall receive credit for all purposes under any Buyer Benefit Plan on or after Closing; and,
- d) Compensation and Benefit Programs: The Buyer agrees to assume and honour in accordance with their current terms, each of the Seller Compensation and Benefit Programs as indicated in the Seller Disclosure Schedule and all related trust agreements, insurance contracts, administrative services agreements, and investment management agreements;

- (vi) **Cure Payments:** All of the cure amounts as determined by the U.S. Court to cure all defaults and pay all actual or pecuniary losses that have resulted from such defaults under the Assumed Agreement and the Assumed Real Property Leases (collectively, the “**Cure Payments**”). No Selling Entity shall have any liability for such Cure Payments;
- (vii) **All other Operating Liabilities:** All other Operating Liabilities, excluding any portion of such outstanding Operating Liabilities that Seller or its Subsidiaries failed to pay as and when due in the ordinary course of business consistent with past practice prior to the Closing; and
- (viii) **BOC Debt Commitment Letter:** All fees payable in connection with the BOC Debt Commitment Letter and any related facilities or other credit agreement;
- (q) Excluded Liabilities: GNC Newco shall not assume or be obligated or be liable for the Excluded Liabilities, whether incurred or accrued before, on or after the Petition Date or the Closing, which include the following:
 - (i) **Pre-Closing Taxes:** All Taxes of the Selling Entities for any Pre-Closing Tax Period;
 - (ii) **Professional Services:** All prepetition or post-petition Liabilities of the Selling Entities relating to legal, accounting or other professional services performed in conjunction with the Agreement;

- (iii) **Employee-related Liabilities:** All Liabilities of the Selling Entities with respect to current and former Employees and Service Providers, other than Liabilities under the Assumed Compensation and Benefit Programs and Liabilities otherwise specifically assumed by GNC Newco pursuant to Section 7.10 of the Stalking Horse Agreement;
- (iv) **Excluded Assets:** All Liabilities relating to the Excluded Assets;
- (v) **Indebtedness:** All Liabilities of any Selling Entity in respect of indebtedness for borrowed money, whether or not relating to the Business;
- (vi) **Equity or securities holder Liabilities:** All Liabilities of any Selling Entity to any holder of equity or equity-linked securities;
- (vii) **Intercompany accounts payable:** All accounts payable or other intercompany obligations of any Selling Entity owed by it to any other Selling Entity;
- (viii) **Certain other Liabilities:** Any other Liability of the Selling Entities that arises prior to the Closing and is not expressly included among the Assumed Liabilities; and
- (ix) **Exit Costs:** All fees, costs or other expenses pertaining to 503(b)(9) claims, stub rent, transaction fees, and professional fees accrued;
- (r) Employee Matters: Employee matters are set out primarily in Section 7.10 of the Stalking Horse Agreement, and include the following:

- (i) **Specified Employees:** The Seller Disclosure Schedule, once finalized at least 10 days prior to closing, will set forth a list containing the names of Employees to whom the Buyer will not make an offer of employment (the “**Specified Employees**”);
- (ii) **Transferred Employees:** Prior to Closing, the Buyer shall make an offer of employment to each of the Employees who were not Specified Employees (an “**Offered Employee**”). An Offered Employee who receives and accepts such an offer of employment will be a “**Transferred Employee**”, and each Transferred Employee will be employed with such accepted offer as of the Closing;
- (iii) **Transferred Employee Offer Base Terms:** The Buyer agrees that offers to the Offered Employees shall include for the 12-month anniversary of the Closing: i) a level of base salary and wages to each Transferred Employee that is no less favourable to the base salary and wages provided to such Offered Employees at present; and, ii) benefit plans will be comparable in the aggregate to the benefits provided to such Offered Employee at present;
- (iv) **Canadian Transferred Employee Offer Terms:** Notwithstanding the foregoing for Transferred Employees in Canada to the extent required by applicable Law, such offers will be on substantially similar basis as such Employees received from the Selling Entities at present;
- (v) **Retained Employees:** The Selling Entities may elect to continue the employment of any Specified Employee following Closing (a “**Retained Employee**”);

- (vi) **Terminated Employees:** On or prior to Closing and excluding Retained Employees, the Selling Entities shall terminate the employment of each Specified Employee and each Offered Employee who does not accept an offer of employment prior to the Closing (a “**Terminated Employee**”);

- (vii) **Closing Period Payroll:** The Buyer is responsible for processing and paying wages accrued during the payroll period in which the Closing Date falls (the “**Closing Period Payroll**”) with respect to each Employee employed at any time during the Closing Payroll Period other than Retained Employees; and

- (viii) **Employee Liabilities Before and After Closing:** With the exception of the Closing Period Payroll, the Selling Entities shall retain, pay and discharge the Liabilities of the Selling Entities for all current and deferred salary, wages, unused vacation, sick days, or other earned by each Employee through Closing. From and after the Closing, with respect to each Terminated Employee, the Buyer shall assume, pay and discharge the Liabilities of the Selling Entities for i) all wages, unused vacation, sick days, personal or other earned by such Terminated Employee, ii) any severance obligations or Liabilities, and iii) any Liabilities arising under an employee incentive or retention program.

- (s) Assumption and Assignment of Certain Contracts: The Sale Order shall provide for the assumption and assignment by the Selling Entities to GNC Newco, effective on Closing, of the Assumed Agreement and Assumed Real Property Leases pursuant to certain terms and conditions as set out in Section 2.5 of the Stalking Horse Agreement. In particular, the Buyer may designate or remove any such Contract until three Business Days prior to the Bid Deadline. For any Contract that is not an Assumed Agreement or Assumed Real Property Lease, the Seller may move to reject any Contract with not less than five Business Days prior written notice;

- (t) Submission for Bankruptcy Court and Canadian Court Recognition: All Parties shall use commercially reasonable efforts to have the Sale Hearing in the U.S. Court no later than September 17, 2020 and to have the Sale Order entered no later than 3 days after conclusion of the Sale Hearing. As promptly as possible, but in no event later than three Business Days after the entry of the Sale Order, the Selling Entities shall bring a motion in the Canadian Court in the Recognition Proceedings seeking an order recognizing the Sale Order and vesting the Canadian Purchased Assets in the Buyer free and clear of all claims, liens and encumbrances (other than any permitted encumbrances);

- (u) Overbid Procedures and Adequate Assurance: The Buyer agrees to be bound by and accept the terms and conditions of the Bidding Procedures Order and Bidding Procedures, and includes the following to which the Buyer agrees or acknowledges:

- (i) Pursuant to the Bidding Procedures, the value of each Bid for substantially all of the Debtors' Assets, must exceed: (i) the Minimum Purchase Price, plus (ii) the amount of the Bid Protections payable to the Stalking Horse Bidder, if applicable, plus (c) minimum Bid increment of \$2.5 million (or such other amount as the Debtors may determine in consultation with the Consultation Parties);
- (ii) The Selling Entities are and may continue soliciting inquiries for the Purchased Assets;
- (iii) The Buyer shall serve as a back-up bidder if the Buyer is the next highest bidder at the Auction, and the Buyer will keep its bid to consummate the transactions contemplated by the Stalking Horse Agreement open and irrevocable until the earlier of: a) 5:00 p.m. (prevailing Eastern Time) on October 31, 2020 (the "**Outside Back-Up Date**") or, b) the date of the consummation of a Third-Party Sale; and
- (iv) The Buyer shall provide adequate assurance as required of its ability to fulfil its obligations and commitments under the Stalking Horse Agreement.
- (v) Termination Fee: A Termination Fee of \$15.2 million plus the amount of the Buyer's reasonable documented out-of-pocket expenses to a maximum of \$3 million is payable to the Buyer from the proceeds of such Third-Party Sale without further order of the U.S. Court or Canadian Court if:

- (i) (x) an Auction takes place and the Buyer is not the Successful Bidder,
(y) at the time the Successful Bidder is identified, the Buyer is not in material breach of this Agreement, **AND**
(z) a sale of substantially all of the Purchased Assets to an entity other than GNC Newco is consummated;

OR

- (ii) A standalone plan of reorganization, including the Restructuring under which the Selling Entities' secured lenders receive a material portion of the equity and/or debt in the reorganized Seller, resulting in a Restructuring Transaction being consummated.

The Termination Payment shall not be payable to the Buyer in the event a Restructuring Transaction is consummated under certain circumstances, which include the following:

- (i) Following the termination of the Stalking Horse Agreement by:
 - a. The Seller, and subject to such inaccuracy being curable by the Buyer within 10 days, if:
 - i. Any representations and warranties of the Buyer are inaccurate as of the date of the Stalking Horse Agreement;
 - ii. The Buyer fails to perform or comply with any of the covenants or agreements contained in the Stalking Horse Agreement;
 - iii. The Buyer fails to obtain any required PRC Approval; or

- iv. The Buyer fails to provide written notice to the Seller that it elects to increase the Cash Purchase Price to an amount that would result in the Estimated TLB Cash Distribution Amount being satisfied.
- b. By the Seller or Buyer if:
- i. Mutual written consent of the Seller and the Buyer; and
 - ii. The Closing has not occurred by October 31, 2020 (the “**Outside Date**”), subject to certain conditions.

ADEQUATE ASSURANCE

- 41. As required by paragraph 14 of the Bidding Procedures Order, on August 10, 2020, the Debtors provided financial and other information demonstrating adequate assurance of future assurance of the Assigned Contracts provided by the Stalking Horse Bidder.
- 42. In a statement to the Debtors, White & Case LLP, legal counsel to the Stalking Horse Bidder, disclosed certain information to provide assurance of the Buyer’s ability to adequately perform and satisfy the obligations of existing agreements with the Selling Entities that are being assigned to and assumed by the Buyer (the “**Adequate Assurance Information**”). In particular, the Adequate Assurance Information provided included the following:
 - (a) Harbin Pharmaceutical Group Holding Co. Ltd. as the Buyer, a corporation incorporated in the People’s Republic of China, is the largest shareholder of one of China’s largest drug manufacturers by market value, and its products are sold throughout China and in more than 50 other countries;
 - (b) The Buyer’s total asset value as of December 19, 2019, exceeded the equivalent of \$2.3 billion;
 - (c) The Buyer owns:

- (i) 46% of the equity in Harbin Pharmaceutical Group Co. Ltd, a publicly listed entity (SHA: 60064);
 - (ii) 74% of the equity in HPGC Renmintongtai Pharmaceutical Corp, a publicly listed entity (SHA: 600829); and
 - (iii) 100% of the equity in Harbin Pharmaceutical Group Bio-vaccine Co., Ltd.;
- (d) The basis for the Bank of China financing is the guarantee provided by the Buyer;
- (e) GNC Newco will be capitalized by the \$400 million BOC Facility, the \$210 million Second Lien Loans, the \$150 million Aland Subordinated Facility, and up to \$10 million of Junior Convertible Notes;
- (f) GNC Newco's sources of liquidity at closing include \$25-30 million of cash on hand, \$50 million of available vendor financing, and the potential for an additional \$30 million revolver, which the Buyer states "will be more than adequate funding for GNC Newco to satisfy all obligations that arise in the ordinary course of business for the foreseeable future."

BOC FACILITY

43. On August 15, 2020 as part of the Stalking Horse Amendment Notice filed, the Debtors filed the term sheet for the BOC Facility with the U.S. Court as required pursuant to the Stalking Horse Agreement.
44. The key terms of the BOC Facility are as follows:

- (a) Facility and purpose: The facility is a USD senior secured term loan facility in an amount of \$400 million for the purpose of: i) financing the refinancing of GNC Holdings' financial indebtedness and its subsidiaries; ii) funding acquisition costs and deposits made to the debt service reserve account (“**DSRA**”); and, iii) funding working capital requirements, pursuant to the Stalking Horse Agreement;
- (b) Borrower: GNC Newco, a company to be newly organized as a Delaware limited liability company and a wholly-owned subsidiary of GNC Holdings, subject to becoming a wholly-owned subsidiary of ZT Biopharmaceutical LLC (the “**ZT LLC**”), a Delaware limited liability company and wholly-owned subsidiary of Harbin Pharmaceutical Hong Kong I Limited (“**Hayao HK**”, and a wholly-owned subsidiary of Harbin), after Closing;
- (c) Lender: Bank of China Limited, Macau Branch and other banks appointed in consultation with GNC Newco;
- (d) Security: The following summarizes the security package for the BOC Facility:
 - (i) Security over all shares in GNC Newco;
 - (ii) Security over all shares in all present and future material subsidiaries of the Borrower, subject to agreed security principles;
 - (iii) Security over material assets;
 - (iv) Security over certain bank accounts of Hayao HK and Harbin; and
 - (v) First priority security over the shares of Hayao Listco held by Harbin – currently stated to be 46.49%;

- (e) Intercreditor Agreement: A draft Intercreditor and Subordination Agreement (the “**Intercreditor Agreement**”) attached to the Stalking Horse Agreement, which will establish the relationship between this facility and the Second Lien Loans, including payment and lien subordination, certain payment and lien priorities, and other related provisions;
- (f) Guarantors: Guarantors are to include: i) Harbin; ii) Hayao HK; iii) the ZT LLC; and, iv) all present and future material subsidiaries subject to agreed security principles;
- (g) Guarantors coverage: Tested annually, GNC Newco shall ensure that at least 90% of consolidated total assets are held by Guarantors, and Guarantors contribute at least 90% of Adjusted EBITDA;
- (h) Maturity and interest: Maturity is to occur after a 5-year period, and interest is to be assessed at LIBOR (subject to a zero floor), plus 4.25%. Interest is payable on the last day of each interest period, which is either 1, 2, 3, or 6 months;
- (i) Repayment: The BOC Facility is to be repaid in scheduled semi-annual instalments starting 12 months after the initial draw, which reduces the principal under the BOC Facility by certain set percentages;
- (j) Mandatory prepayments: The BOC Facility is subject to certain mandatory prepayments including an annual excess cash sweep, net disposal/recovery proceeds, certain capital market events, and certain changes of control;
- (k) Financial covenants: Certain financial covenants are to be tested semi-annually commencing June 30, 2021 at the GNC Newco consolidated level and at the Harbin level (start date to be finalized):

- (i) GNC Newco: i) leverage ratio of total consolidated net debt to total consolidated adjusted EBITDA equal to or less than 3.5:1; ii) DSCR not less than 1.25x total consolidated cash flow; and, iii) annual cap on capital expenditures to be confirmed based on projections; and
- (ii) Harbin: i) leverage ratio of total consolidated net debt to total consolidated EBITDA equal to or less than the proposed 3.5:1, stepping down to 3.0:1 by December 31, 2021;
- (l) Events of Default: There are numerous events of default, which include non-payment, financial covenant default, cross default, misrepresentation, and insolvency; and
- (m) Governing law and dispute resolution: Hong Kong law and Hong Kong resolution.

SECOND LIEN LOANS

- 45. On August 7, 2020, the form of the Second Lien Term Loan Credit Agreement in relation to the Second Lien Loans was filed with the U.S. Court as an exhibit to the Stalking Horse Notice.
- 46. The key terms of the Second Lien Loans are as follows:
 - (a) Amount: \$210 million facility plus additional amounts based on purchase price adjustments (takeback debt);
 - (b) Collateral: The following summarizes the collateral components for the Second Lien Loans:

- (i) An intercreditor agreement with the BOC Facility lenders with respect to lien and payment priorities and collateral management, which includes a proceeds sharing provision with respect to dispositions of IP Collateral of up to \$75 million that are to be distributed pro rata between First Lien Lenders and Second Lien Lenders based on the amount of principal outstanding. The Second Lien Loans are capped at \$240 million;
 - (ii) The Second Lien Loans will hold a junior lien on all other assets; and
 - (iii) The Second Lien Loans will hold a first lien on Cares Act tax refunds, if any;
- (c) Guarantors: Guarantors are to include all material subsidiaries of GNC Newco;
- (d) Maturity and interest: Maturity is to occur after a 6-year period, and interest is to be assessed at LIBOR plus 6% PIK plus 3% cash;
- (e) Mandatory prepayments: Mandatory prepayments include the following: i) an excess cash flow payment provision covering 15% of amounts above a minimum cash balance of \$50 million; ii) payment of tax refund proceeds; and, iii) certain vendor payments that are to be shared pro rata with the BOC Facility with respect to the first \$40 million, and Second Lien Loans principal capped at \$240 million; and
- (f) Financial covenants: The Second Lien Loans are subject to certain financial covenants including a guarantee coverage ratio where guarantors represent a minimum of 90% of EBITDA and assets of GNC Newco.

ALAND SUBORDINATED FACILITY

47. On August 15, 2020, as part of the Stalking Horse Amendment Notice filed, the Debtors filed the term sheet for the Aland Subordinated Facility with the U.S. Court as required pursuant to the Stalking Horse Agreement.
48. The key terms of the Junior Convertible Notes are as follows:
- (a) Borrower: ZT LLC;
 - (b) Lender: Aland (HK) Nutrition Holding Limited (“**Aland**”);
 - (c) Subordinated loan facility: Aggregate principal amount equal to \$150,000,000;
 - (d) Maturity: 24 months after the later of: i) final repayment date of the BOC Facility; and ii) the maturity date of the Second Lien Loans;
 - (e) Subordination: The Aland Subordinated Facility will be subordinated to: i) the BOC Facility; and, ii) the Second Lien Loans;
 - (f) Use of proceeds: The proceeds will be made available to fund: i) a \$57,000,000 deposit pursuant to Section 3.2 of the Stalking Horse Agreement; and, ii) a portion of the cash purchase price under the Stalking Horse Agreement equal to \$93,000,000; and
 - (g) Interest: Interest rate to be mutually agreed between the ZT LLC and Aland.

JUNIOR CONVERTIBLE NOTES

49. On August 15, 2020 as part of the Stalking Horse Amendment Notice filed, the Debtors filed the term sheet for the Junior Convertible Notes with the U.S. Court as required pursuant to the Stalking Horse Agreement.
50. The key terms of the Junior Convertible Notes are as follows:

- (a) Issuer: ZT LLC, which holds 100% of the equity interests of GNC Newco;
- (b) Notes: \$10,000,000 aggregate principal amount of 1.5% PIK subordinated convertible notes due 2028;
- (c) Maturity date: October 15, 2028;
- (d) Interest: 1.5% per annum payable annually in arrears, which shall be paid by increasing the principal amount of the outstanding Junior Convertible Notes on October 15 of each year;
- (e) Guarantors: None;
- (f) Conversion rights: ZT LLC may mandatorily convert all or any portion of the Junior Convertible Notes at its option prior to the close of business on the business day preceding May 15, 2023 under the following circumstances, which are mutually exclusive:
 - (i) ZT LLC's common stock is listed on a national U.S. exchange after September 30, 2023 and the last reported sale price of the issuer's shares is greater than or equal to 130% of the conversion price on each applicable trading day for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter;
 - (ii) ZT LLC's listed common stock during the five day period after any consecutive five trading day period in which the trading price per \$1,000 principal amount was less than 98% of the product of the last reported sale price of the shares; or
 - (iii) Upon the occurrence of other specified corporate events.

On or after June 30, 2023 until the date of maturity, ZT LLC may convert all or any portion of the Notes at the option of ZT LLC.

The conversion rate for the Junior Convertible Notes shall be an amount of shares per \$1,000 principal amount equivalent to a conversion price of \$60.00 per share; and

- (g) Unsecured obligations: The Junior Convertible Notes will be ZT LLC's unsecured obligation and will rank: i) junior to the BOC Facility and the Second Lien Loans; ii) equal in right of payment to any unsecured indebtedness that is also subordinated; iii) effectively junior in right of payment to any of its secured indebtedness to the extent of the value of the assets securing such indebtedness; and, iv) structurally junior to all indebtedness and other liabilities including trade payables of ZT LLC's subsidiaries.

THE THIRD AMENDED PLAN AND THIRD DISCLOSURE STATEMENT

51. The Third Amended Plan contemplates either the distribution of proceeds arising from the Successful Bid under the Bidding Procedures Order or, if no sale transaction is completed by the Outside Date, the implementation of the Restructuring outlined in the Restructuring Support Agreement.

SUMMARY OF THE THIRD AMENDED PLAN

52. The key components of the Third Amended Plan are summarized below.

Treatment of Certain Claims and Interest

53. Administrative Claims: In accordance with section 1123(a)(1) of the Bankruptcy Code, the following have not been classified, are excluded from the Classes of Claims and Interest, and are not entitled to vote:
- (a) General Administrative Claims;
 - (b) Professional Fee Claims;
 - (c) Transaction Expenses; and

(d) Tranche B-2 Term Loan Expenses.

54. DIP Facilities Claims: The DIP Facilities Claims consist of the DIP ABL FILO Facility Claims and the DIP Term Facility Claims. The DIP Facilities Claims shall be deemed to be allowed under the Third Amended Plan. These Claims are unclassified under the Plan and are not entitled to vote.
55. Allowed DIP Term New Money Loan Claims: shall be converted on a dollar-for-dollar basis into Exit FLFO Facility Loans if the Restructuring is consummated; or be indefeasibly repaid in full in cash at closing if the Sale Transaction is consummated.
56. Allowed DIP Term Roll-Up Loan Claims: shall be converted on a dollar-for-dollar basis into Exit FLSO Facility Loans if Restructuring is consummated; or be indefeasibly repaid in full in cash at closing if the Sale Transaction is consummated.
57. Allowed DIP ABL FILO Facility Claims: shall be converted on a dollar-for-dollar basis into Exit FILO loans if the Restructuring is consummated, or be indefeasibly repaid in full in cash at closing if the Sale Transaction is consummated.
58. Priority Tax Claims: Allowed Priority Tax Claims shall be, unless otherwise agreed: (1) paid in cash in an amount equal to the amount of such Allowed Priority Tax Claim; (2) paid in cash in an amount agreed to by the applicable Debtor or Reorganized Debtor and the holder of such Allowed Priority Tax Claim; or (3) at the option of the Debtors, paid in cash in instalment payments over a period of not more than five years, pursuant to section 1129(a)(9)(c) of the Bankruptcy Code. These Claims are unclassified under the Third Amended Plan and are not entitled to vote.
59. Other Priority Claims: Allowed Other Priority Claims shall be generally paid in full in cash unless otherwise agreed. These Claims are unclassified under the Third Amended Plan and are not entitled to vote.

60. United States Trustee Statutory Fees: All quarterly fees due to the United States Trustee shall be paid. These Claims are unclassified under the Third Amended Plan and are not entitled to vote.
61. Other Secured Claims: Allowed Other Secured Claims shall be paid in full in cash, receive the collateral securing its Allowed Other Secured Claim or receive any other treatment that would render such Claim unimpaired. These Claims are unimpaired under the Third Amended Plan, are not entitled to vote and are deemed to accept.
62. Tranche B-2 Term Loan Secured Claims: Allowed Tranche B-2 Term Loans Claims, which claims are Impaired under the Third Amended Plan and are entitled to vote, shall either:
 - (a) In the event of a Sale Transaction constituting the Harbin Stalking Horse Bid, receive its Pro Rata Share of the total amount of Second Lien Loans issued in connection with the Sale Transaction in a principal amount equal to the Second Lien Loans Amount, and Cash equal to the Cash Purchase Price less (i) the DIP Obligations Payment Amount, (ii) the Exit Cost Amount, and (iii) the Wind-Down Amount;
 - (b) In the event of any other Sale Transaction, either (i) payment in full in cash of its Allowed Tranche B-2 Term Loan Secured Claim or (ii) if the Sale Transaction Proceeds are insufficient to pay all Allowed Tranche B-2 Term Loan Secured Claims in full in cash, and the Required Lenders (as defined in the Tranche B-2 Term Loan Credit Agreement) have so consented in writing at or prior to entry of the Sale Order, its Pro Rata Share of the Sale Transaction Proceeds available for distribution on account of the Allowed Tranche B-2 Term Loan Secured Claims; or

- (c) In the event of a restructuring, receive its pro rata share of 100% of the New Common Equity, subject to dilution by the Management Incentive Plan, and its pro rata share of \$50 million in principal amount of the Exit FLSO Facility Loans.

63. General Unsecured Claims, Convertible Unsecured Notes Claims, and Tranche B-2 Term Loan Deficiency Claims: These Claims are Impaired under the Third Amended Plan and are entitled to vote. Each Holder shall receive:

- (a) If and only if the Class 4 Conditions have been met:
 - (i) In the event of a Sale Transaction constituting the Harbin Stalking Horse Bid in which the Unsecured Creditor Consideration Trigger Event occurred on or before the closing of such Sale Transaction resulting in the issuance of the Junior Convertible Notes, its Pro Rata Share of the Junior Convertible Notes, or in the event of any other Sale Transaction, its pro rata share of not less than \$1 million in Cash; or
 - (ii) In the event of a Restructuring, at its own election either its pro rata share of not less than \$1 million in Cash, or the Class 4 Contingent Rights.
- (b) If the Class 4 Conditions have not been met:
 - (i) In the event of a Sale Transaction its pro rata share of any Sale Transaction Proceeds remaining after payment of the Exit Cost Amount, Wind-Down Amount, DIP ABL FILO Facility Claims, DIP Term Facility Claims, Allowed Tranche B-2 Term Loan Secured Claims, and all other Claims that are senior to Class 4 Claims; or

- (ii) In the event of a Restructuring, each Claim will be cancelled, released, discharged and extinguished and shall receive no recovery on account of such claims.

- 64. Subordinated Securities Claims: Whether in the event of a Sale Transaction or Restructuring, Claims, shall be extinguished and receive no recovery or distribution. These Claims are Impaired under the Plan, are not entitled to vote and are deemed to reject.
- 65. Intercompany Claims: No property shall be distributed and each Intercompany Claim will either be Reinstated or cancelled and released at the option of the Debtors. In either case such Claims are not entitled to vote. Depending on the election, these Claims are either Impaired or Unimpaired under the Plan and are deemed to accept or to reject.
- 66. Intercompany Interests: No recovery or distribution, and in the event of a Restructuring, will be Reinstated solely to the extent necessary to maintain the Debtors' corporate structure, and in the event of a Sale Transaction, be treated in such manner as determined by the Successful Bidder. In either case such claims are not entitled to vote. Depending on the treatment, such Claims are either Impaired or Unimpaired under the Plan and are deemed to accept or to reject.
- 67. Equity Interests: No distribution on account of Equity Interests, which will be extinguished with no further force or effect. These Claims are Impaired under the Plan, are not entitled to vote and are deemed to reject.

Exit Financing

- 68. In the event of a Restructuring, the Debtors' exit financing will comprise the following:
 - (a) Exit Revolver/FILO Facility: New secured revolving credit and last out term loan facility;
 - (b) Exit FLFO Facility: New secured first-lien first-out term loan facility to be entered; and

- (c) Exit FLSO Facility: New secured first-lien second-out term loan facility.

Executory Contracts and Unexpired Leases

69. In the event of a Sale Transaction, any Executory Contract or Unexpired Lease will be deemed rejected on the Effective Date if it:

- (a) Is not assumed and assigned;
- (b) Has not previously been rejected by order of the U.S. Court;
- (c) Is not identified to be assumed in the Plan Supplement;
- (d) Is not expressly assumed per the Plan;
- (e) Has not expired or terminated on its own terms; or
- (f) Has not been assumed or is not the subject of a motion to assume on the Confirmation Date.

70. In the event of a Restructuring, each Executory Contract or Unexpired Lease not previously assumed or rejected pursuant to an order of the U.S. Court, will be deemed assigned as of the Effective Date, except any Executory Contract or Unexpired Lease:

- (a) Identified on the Rejected Executory Contract/Unexpired Lease List;
- (b) That is the subject of a separate motion or notice to reject pending as of the Effective Date; or
- (c) That previously expired or terminated pursuant to its own terms.

Compensation and Benefit Programs and Workers' Compensation Programs

71. In the event of a Sale Transaction or Restructuring, all Compensation and Benefits Programs shall be treated as Executory Contracts under the Plan and deemed assumed or assumed and assigned on the Effective Date.

Conditions Precedent to the Effective Date

72. There are numerous conditions precedent to the Effective Date, including the following:
- (a) The U.S. Court shall have approved the Third Disclosure Statement, which condition precedent was satisfied on August 20, 2020 upon the Disclosure Statement Order being granted;
 - (b) The Confirmation Order shall have been entered by the U.S. Court;
 - (c) The Canadian Court shall have recognized the Confirmation Order in the Recognition Proceedings giving full force and effect to the Confirmation Order in Canada; and
 - (d) No termination event under the Restructuring Support Agreement shall have occurred.

Releases

73. The Third Amended Plan contains broad releases in favour of the following parties, among others (the “**Released Parties**”):
- (a) the Debtors;
 - (b) the Reorganized Debtor;
 - (c) the DIP Agents;
 - (d) the DIP Lenders;
 - (e) the ABL FILO Agent;
 - (f) the ABL Revolving Lenders;
 - (g) the ABL FILO Term Lenders;
 - (h) the Tranche B-2 Term Loan Agents;

- (i) the Tranche B-2 Term Loan Lenders;
 - (j) the New Lenders;
 - (k) the New Debt Agents;
 - (l) the members of the Ad Hoc Groups in their capacity as such;
 - (m) the Successful Bidder; and
 - (n) the respective Related Persons for each of the foregoing.
74. Pursuant to Article IX.C of the Third Amended Plan, each holder of a Claim that (a) submits a Ballot accepting the Plan or (b) submits a Ballot rejecting the Plan, but does not affirmatively opt-out of the Third-Party Release as provided on their respective Ballot shall be deemed to grant the Third-Party Release. Accordingly, each holder of a Claim that opts to reject the plan has the option to not grant the releases contained in Article IX.C of the Plan by making the appropriate selection on their respective Ballot.

OVERVIEW OF THIRD DISCLOSURE STATEMENT

75. The Third Disclosure Statement was developed for the purpose of providing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgement regarding their decision to vote to accept or reject the Plan, if such party is so entitled to vote and decides to do so to participate in the process.
76. The Third Disclosure Statement contains information on the following topics:
- (a) An overview of the Debtors' operations;
 - (b) Summary of events leading to the commencement of the Chapter 11 Cases;
 - (c) An overview of the Chapter 11 Cases;
 - (d) A summary of the Plan;

- (e) The capital structure and corporate governance of the reorganized Debtors;
 - (f) The process and outcome of the confirmation of the Plan;
 - (g) A comparison of alternatives to confirmation and consummation of the Plan;
 - (h) Various factors to be considered before voting;
 - (i) Details on securities law matters;
 - (j) Details on certain U.S. federal income tax consequences of the Plan; and
 - (k) A conclusion and recommendation by the Debtors.
77. The Third Disclosure Statement states that the boards of directors of GNC Holdings and its subsidiaries have unanimously approved the transactions contemplated by the Third Amended Plan and recommend that all creditors whose votes are being solicited submit ballots to accept the Third Amended Plan.
78. The Third Disclosure Statement also states that Consenting creditors holding approximately 92% of the Holders of Tranche B-2 Term Loan Secured Claims have already agreed to vote in favour of the Plan.
79. The Third Disclosure Statement provides information on the Debtors relationship with Harbin as follows:
- (a) In February 2018, GNC Holdings entered into a securities purchase agreement with Harbin pursuant to which GNC Holdings agreed to issue and sell to Harbin approximately \$300 million in aggregate of Series A Convertible Preferred Stock, which is convertible into common stock at a conversion price of \$5.35 per share. Subsequent to certain conversions, Harbin owned approximately 41% of the outstanding voting securities and had the right to designate up to five (5) individuals to serve on the board of directors; and

- (b) In February 2019, the Debtors completed the formation of a commercial joint venture in Hong Kong (the “**HK JV**”) with respect to its e-commerce business in the PRC in which they own 35% and Harbin owns 65%. The Debtors also anticipate completing the formation of a second, retail-focused joint venture in China (the “**China JV**”) with Harbin in the third quarter of 2020 in which the Debtors will own 35% and Harbin will own 65%.
80. The Third Disclosure Statement provides information on the Debtors relationship with International Vitamin Corporation (“**IVC**”), which is privately held by Aland Neutraceutical Group, a related party to Aland as lender under the Aland Subordinated Facility. In March 2019, the Debtors entered into a strategic joint venture with IVC regarding the Debtors manufacturing operations (the “**Manufacturing JV**” or “**Nutra**”). The Debtors currently own 32% of the Manufacturing JV with IVC owning the remaining 68%. The Company believes the Manufacturing JV enables its quality and R&D teams to continue to support product development and to increase its focus on product innovation, while IVC manages manufacturing and integrates with the Debtors’ supply chain.

REQUEST FOR RECOGNITION OF THE AUGUST 25 RECOGNITION ORDERS

AMENDED FINAL CASH MANAGEMENT ORDER

81. The Foreign Representative is seeking recognition of the Amended Final Cash Management Order.
82. The Final Cash Management Order, as described in the First Report, was granted by the U.S. Court on July 21, 2020 and recognized by the Canadian Court in the Recognition Proceedings on July 27, 2020.
83. After the Final Cash Management Order was entered, the U.S. Trustee requested an amendment to address the fact that certain of the Debtors’ banks that have not executed a Uniform Depository Agreement (“**UDA**”) with the U.S. Trustee in response to section 345(b) of the Bankruptcy Code. A UDA provides for collateralization of accounts held by the Debtors.

84. Specifically, the U.S. Trustee requested that the Final Cash Management Order be amended to provide that the Debtors be allowed to maintain accounts at banks that have not executed a UDA with the U.S. Trustee (collectively, the “**Non-UDA Accounts**”) provided that:
- (a) The balance of any Non-UDA Account shall not exceed US\$45,000 at any given time during the Chapter 11 Cases; and
 - (b) If the balance of any Non-UDA Account exceeds US\$45,000, any excess amount shall be transferred as soon as practicable into an account at a bank that has executed a UDA.
85. On consent of the parties, the U.S. Court entered the Amended Final Cash Management Order to reflect the foregoing on August 5, 2020.
86. The Information Officer has been informed by the Debtors that the amendments to the Amended Final Cash Management Order providing for the sweep of funds in excess of US\$45,000 described above are not intended to apply to the Debtor’s bank accounts located at Canadian banks. The Information Officer has been further informed that the draft order recognizing the August 25 Recognition Orders served by the Foreign Representative will be amended to reflect that fact and confirm that bank accounts of the Debtors at Canadian banks will not be swept in that manner.
87. Accordingly, and subject to the foregoing, the Information Officer is of the view that recognition of the Amended Final Cash Management Order is appropriate in the circumstances.

THE NINTH LEASE REJECTION ORDER

88. The Foreign Representative is seeking recognition of the Ninth Lease Rejection Order.

89. As described in the First Report, the U.S. Court had authorized the rejection of leases in furtherance of the Debtors' store rationalization strategy. Since the date of the First Report, a further three lease rejection Orders have been granted by the U.S. Court. Of these, only the Ninth Lease Rejection Order includes authorization to reject certain leases for stores in Canada. Accordingly, the Foreign Representative is not seeking recognition of the other Tenth Lease Rejection Order or the Eleventh Lease Rejection Order.
90. The Ninth Lease Rejection Order includes three Canadian store leases that were terminated effective as of July 30, 2020 (collectively, the "**July 30 Rejected Leases**"). The provisions of the Ninth Lease Rejection Order are substantially consistent with the First Lease Rejection Order and Third Lease Rejection Order, each of which was recognized by the Canadian Court pursuant to the Order granted July 27, 2020.
91. GNC Canada provided at least 30 days' notice to the landlords of the July 30 Rejected Leases prior to the effective date of the lease rejection and paid rent for the notice period.
92. Accordingly, the Information Officer is of the view that recognition of the Ninth Lease Rejection Order is appropriate in the circumstances.

THE FURTHER REVISED BIDDING PROCEDURES MODIFICATION ORDER

93. The Foreign Representative is seeking recognition of the Further Revised Bidding Procedures Modification Order. The purpose of the Further Revised Bidding Procedures Modification Order is to, *inter alia*:
 - (a) Retroactively extend the deadline (the "**Stalking Horse Deadline**") by which the Debtors may select a Stalking Horse Bidder and enter into a Stalking Horse Agreement from August 3, 2020 to August 7, 2020, the date of execution of the Stalking Horse Agreement;
 - (b) Update relevant dates and deadlines to reflect the modified schedule as previously noted; and
 - (c) Adjust the minimum Bid increment from \$5.0 million to \$2.5 million.

94. The Further Revised Bidding Procedures Modification Order explicitly specifies for the avoidance of doubt that, as the Debtors did not file a Stalking Horse Selection Notice within one business day after August 3, 2020, the dates in the Bidding Procedures Order were extended pursuant to paragraph 10 as previously described in this Second Report.
95. The Information Officer is of the view that the extension of the Stalking Horse Deadline does not prejudice any party at interest. Accordingly, the Information Officer is of the view that recognition of the Further Revised Bidding Procedures Modification Order, including Further Revised Bidding Procedures is appropriate in the circumstances.

THE DISCLOSURE STATEMENT ORDER

96. The Foreign Representative is seeking recognition of the Disclosure Statement Order. The Disclosure Statement Order provides, *inter alia*, that:
- (a) The U.S. Court has found and determined that:
 - (i) The Third Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code;
 - (ii) The notices and forms of ballots attached to the Third Disclosure Statement Order contain sufficient information and are appropriate in the circumstances;
 - (iii) The time period established to solicit votes on the Plan is a reasonable period of time for creditors to make an informed decision as to whether to accept or reject the Plan;
 - (iv) The solicitation and tabulation of votes procedures provide for a fair and equitable voting process;
 - (v) The notice and objection procedures with respect to the hearing regarding the Third Disclosure Statement Order were reasonable and appropriate; and

- (vi) The procedures regarding the Confirmation Hearing Notice and the contents of the Solicitation Package constitute sufficient notice to all interested parties.

- (b) The Disclosure Statement Notice and the Third Disclosure Statement is approved and the Debtors are authorized to distribute the Third Disclosure Statement and Solicitation Package;

- (c) The Confirmation Hearing shall be held on October 14, 2020 at 1:00 p.m. (prevailing Eastern Time), subject to certain provisions allowing for continuation of the Confirmation Hearing from time to time;

- (d) The Confirmation Objection Deadline shall be September 28, 2020 at 5:00 p.m. (prevailing Eastern Time), which may be extended by the Debtors;

- (e) The Voting Record Date with respect to all Claims shall be August 13, 2020;

- (f) The Debtors are authorized to transmit the Solicitation Package on or before August 28, 2020 or as soon as reasonably practicable thereafter;

- (g) The Plan Supplement shall be filed on or before September 21, 2020, subject to further amendment or supplements by the Debtors;

- (h) The Debtors shall publish the Confirmation Hearing Notice on or prior to August 26, 2020, or five business days after entry of the Disclosure Statement Order in the national editions of *USA Today*, *the Wall Street Journal*, and *the Globe and Mail*, and shall be authorized (but not required) to publish the Confirmation Hearing Notice in such trade or other local publications of general circulation as the Debtors shall determine. As provided for, the Debtors have indicated to the Information Officer of their intention to also publish the Confirmation Hearing Notice in *La Presse*, a French language newspaper based in the Province of Quebec; and

- (i) Ballots must be received by the Voting and Claims Agent on or before the Voting Deadline on September 28, 2020.

97. The Information Officer has reviewed the Disclosure Statement Order and is satisfied that the processes, timelines, and procedures provided for in the Disclosure Statement Order are adequate and reasonable in the circumstances. Accordingly, the Information Officer is of the view that recognition of the Disclosure Statement Order is appropriate in the circumstances.

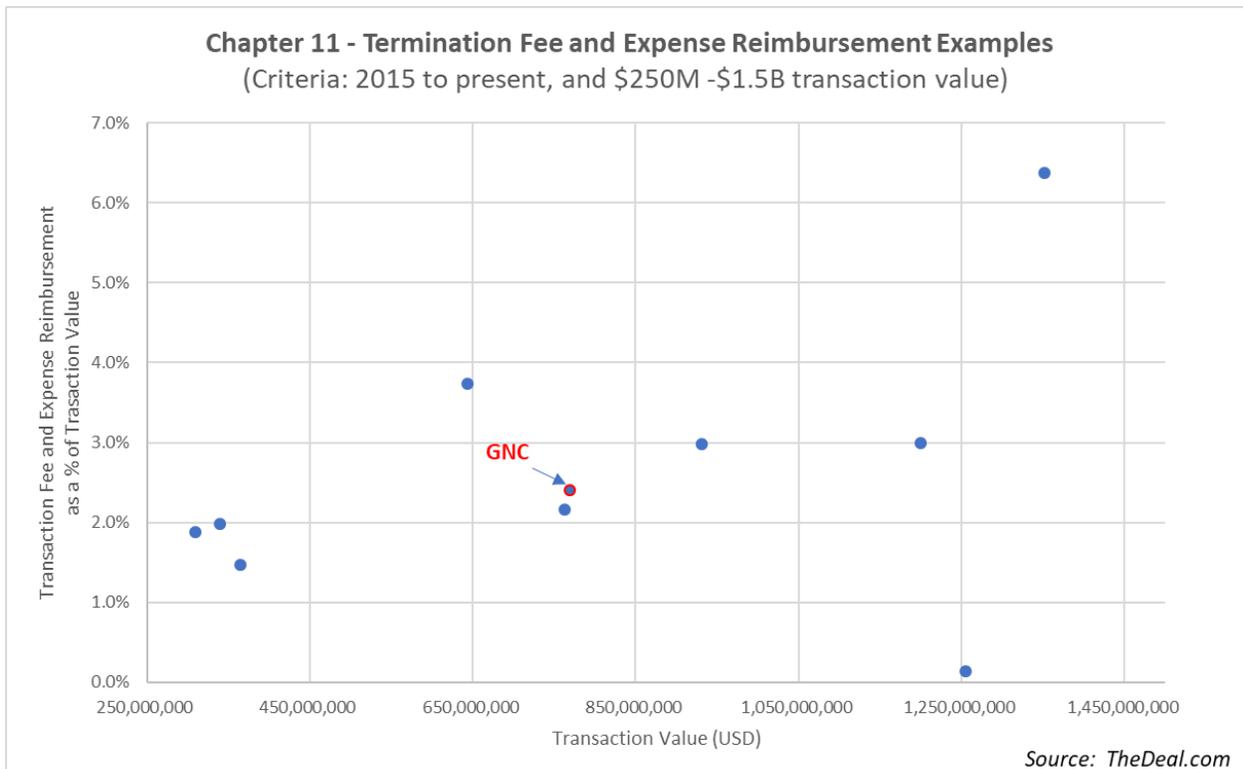
THE STALKING HORSE APPROVAL ORDER

98. The Foreign Representative is seeking recognition of the Stalking Horse Approval Order. The Stalking Horse Approval Order provides, *inter alia*, that:

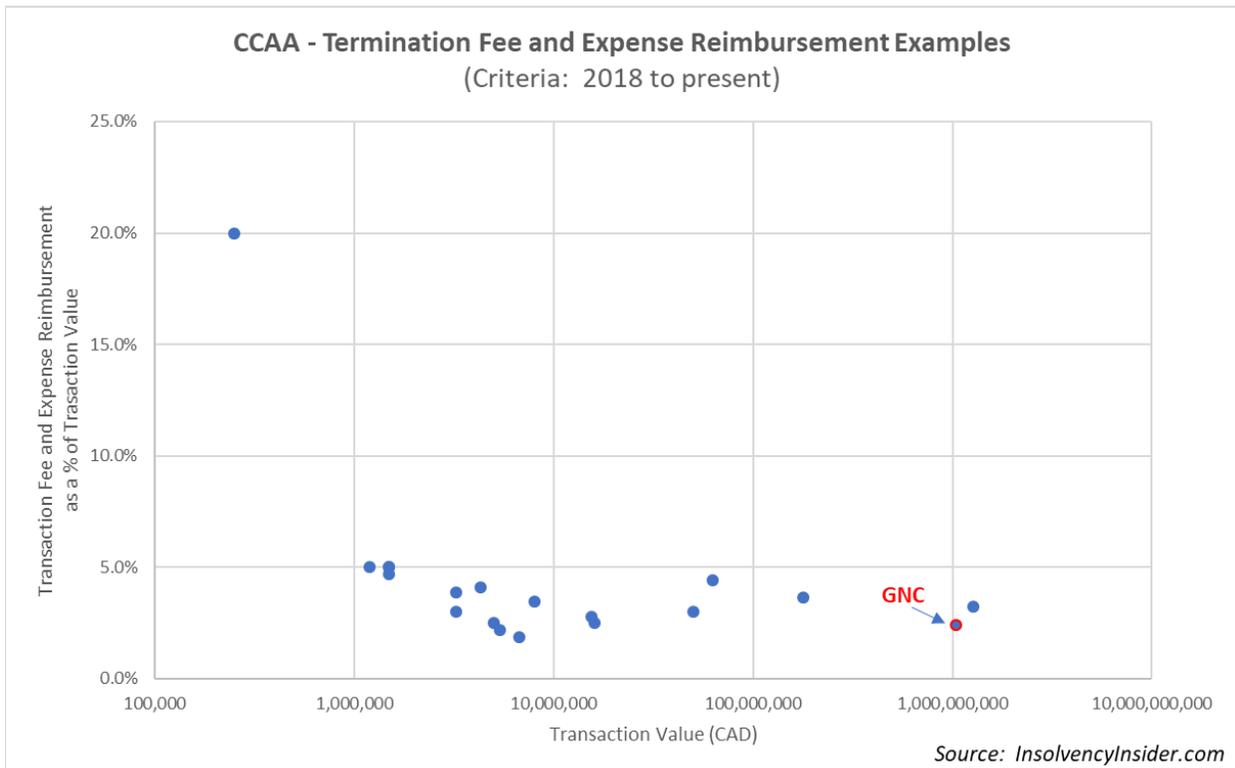
- (a) The U.S. Court has found and determined that:
 - (i) The Debtors and the Stalking Horse Bidder negotiated the Stalking Horse Agreement at arm's length and in good faith, without collusion;
 - (ii) The Stalking Horse Agreement represents the highest or otherwise best offer for the Assets that the Debtors have received to date;
 - (iii) Entry of the Stalking Horse Approval Order and authorizing the Debtors' to enter into and perform under the Stalking Horse Agreement and approval of the Bid Protections is in the best interests of the Debtors and their respective estates, creditors, and all other parties in interest; and

- (iv) The Bid Protections are commensurate to the real and substantial benefits conferred upon the Debtors' estates by the Stalking Horse Bidder; are reasonable and appropriate in light of the size and nature of the proposed sale contemplated, the commitments made by the Stalking Horse Bidder, and the efforts that have been and will be expended by the Stalking Horse Bidder; and are necessary to induce the Stalking Horse Bidder to continue to pursue such sale and continue to be bound by the Stalking Horse Agreement;
 - (b) The Debtors are authorized to enter into and perform under the Stalking Horse Agreement, subject to the solicitation of higher or otherwise better offers for the Assets;
 - (c) The Stalking Horse Agreement is authorized and approved, and the Stalking Horse Bidder shall be deemed a Qualified Bidder, and the Stalking Horse Bid shall be deemed a Qualified Bid, for all purposes under the Bidding Procedures Order and Bidding Procedures;
 - (d) The Bid Protections are approved; and
 - (e) The Stalking Horse Approval Order does not approve the sale of the Assets under the Stalking Horse Agreement or authorize consummation of the Sale, such approval and authorization to be considered only at the Sale Hearing.
99. As noted above, the Stalking Horse Agreement provides for the Bid Protections which, subject to certain conditions and limitations as set out in section 7.14 of the Stalking Horse Agreement, are payable to the Buyer if a Third-Party Sale or Restructuring Transaction is consummated. The Bid Protections total \$18.2 million and consist of:
- (a) The Termination Fee in the amount of \$15.2 million; and
 - (b) The Expense Reimbursement to a maximum of \$3 million.

100. The Termination Fee equates to approximately 2.8% of the cash purchase price of \$550 million and approximately 2.0% of the aggregate purchase price of \$770 million, excluding Assumed Liabilities. The total Bid Protections of \$18.2 million equate to approximately 3.3% of the cash purchase price of \$550 million and approximately 2.4% of the aggregate purchase price of \$770 million, excluding Assumed Liabilities.
101. Data on break-fees and expense reimbursements (collectively, “**Bid Protection Amounts**”) approved in Chapter 11 proceedings is tracked by TheDeal.com. The Monitor obtained data from TheDeal.com for Bid Protection Amounts approved since January 2015 for transactions with a value greater than \$250 million. For this data set, Bid Protection Amounts range from approximately 0.1% to 6.4% of the transaction value, with a mean of approximately 2.7% and a median of 2.6%. The data obtained is summarized in the following scatter-chart, together with the Bid Protections provided for in the Stalking Horse Agreement:



102. Data on break-fees and expense reimbursements approved in CCAA proceedings since January 2018 is tracked by InsolvencyInsider.com. For this data set, Bid Protection Amounts range from approximately 1.9% to 20% of purchase price, with a mean of 4.5% and a median of 3.5%. The data is summarized in the following scatter-chart, together with the Bid Protections provided for in the Stalking Horse Agreement:



103. Based on the foregoing, it appears that Bid Protections are within market parameters.
104. Accordingly, the Information Officer is of the view that recognition of the Stalking Horse Approval Order is appropriate in the circumstances.

The Information Officer respectfully submits to the Court this, its Second Report.

Dated this 21st day of August, 2020.

FTI CONSULTING CANADA INC.

Solely in its capacity as Information Officer of GNC Holdings, Inc., General Nutrition Centres Company, GNC Parent LLC, GNC Corporation, General Nutrition Centers, Inc., General Nutrition Corporation, General Nutrition Investment Company, Lucky Oldco Corporation, GNC Funding Inc., GNC International Holdings Inc., GNC China Holdco, LLC, GNC Headquarters LLC, Gustine Sixth Avenue Associates, Ltd., GNC Canada Holdings, Inc., GNC Government Services, LLC, GNC Puerto Rico Holdings, Inc., and GNC Puerto Rico, LLC, and not in its personal or corporate capacity.



Nigel D. Meakin
Senior Managing Director



Jim Robinson
Managing Director