

HERBALIFE LTD.  
Form DEF 14A  
March 16, 2009

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**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

(AMENDMENT NO. \_\_)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive  
Proxy

Statement  
Confidential, for  
Use of the  
Commission Only  
(as permitted by  
Rule 14a-6(e)(2))

Definitive  
Additional  
Materials  
Soliciting  
Material Pursuant  
to §240.14a-12

**HERBALIFE LTD.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

Fee not required.

Fee computed  
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Rules 14a-6(i)(4)  
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(2) Aggregate number of securities to which transaction applies:

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

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

(1) Amount Previously Paid:

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(2) Form,  
Schedule or  
Registration  
Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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**HERBALIFE LTD.**

March 16, 2009

Dear Fellow Shareholder:

We are pleased to enclose information about the 2009 Annual General Meeting of Shareholders, or the Meeting, of Herbalife Ltd., or the Company, to be held on Thursday, April 30, 2009 at 9:00 a.m., Pacific Daylight Time, at the principal executive offices of one of the Company's U.S. subsidiaries located at 800 W. Olympic Blvd., Suite 406, Los Angeles, California 90015. As discussed in more detail in the enclosed Proxy Statement, at the Meeting you will be asked to consider proposals to:

1. Elect three directors, each for a term of three years;
2. Ratify the appointment of the Company's independent registered public accountants for fiscal 2009; and
3. Act upon such other matters as may properly come before the Meeting.

**MY FELLOW DIRECTORS AND I HAVE UNANIMOUSLY APPROVED THE PROPOSALS INCLUDED HEREIN AND RECOMMEND YOU VOTE FOR THEIR APPROVAL.**

Best Regards,

MICHAEL O. JOHNSON  
*Chairman and Chief Executive Officer*

**YOUR VOTE IS IMPORTANT.**

**All shareholders are cordially invited to attend the Meeting in person. However, in order to assure your representation at the Meeting, you are urged to vote promptly. You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Instructions regarding voting are contained in the Notice of Internet Availability of Proxy Materials or proxy card.**

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**HERBALIFE LTD.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
To Be Held Thursday, April 30, 2009**

To the Shareholders:

NOTICE IS HEREBY GIVEN that the 2009 Annual General Meeting of Shareholders, or the Meeting, of Herbalife Ltd., a Cayman Islands exempted limited liability company, or the Company, will be held on Thursday, April 30, 2009 at 9:00 a.m., Pacific Daylight Time, at the principal executive offices of one of the Company's U.S. subsidiaries located at 800 W. Olympic Blvd., Suite 406, Los Angeles, California 90015 for the following purposes:

1. To elect three directors, each for a term of three years;
2. To ratify the appointment of the Company's independent registered public accountants for fiscal 2009; and
3. To act upon such other matters as may properly come before the Meeting.

Each of the above proposals will be proposed as Ordinary Resolutions as permitted by the Companies Law (2007 Revision).

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. Only shareholders of record at the close of business on March 2, 2009, are entitled to notice of and to vote at the Meeting and any subsequent adjournment(s) or postponement(s) thereof.

All shareholders are cordially invited to attend the Meeting in person. **However, to assure your representation at the Meeting, you are urged to vote promptly. You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Instructions regarding voting are contained in the Notice of Internet Availability of Proxy Materials or proxy card.**

Sincerely,

BRETT R. CHAPMAN  
*General Counsel and Corporate Secretary*

Los Angeles, California  
March 16, 2009

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**HERBALIFE LTD.**

**PROXY STATEMENT FOR 2009  
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Herbalife Ltd., also referred to as we, our, us, Herbalife or the Company, is calling its 2009 Annual General Meeting of Shareholders, or the Meeting, to be held on Thursday, April 30, 2009 at 9:00 a.m., Pacific Daylight Time, at the principal executive offices of one of the Company's U.S. subsidiaries located at 800 W. Olympic Blvd., Suite 406, Los Angeles, California 90015.

At the Meeting, our shareholders will be asked to consider proposals to:

1. Elect three directors, each for a term of three years;
2. Ratify the appointment of the Company's independent registered public accountants for fiscal 2009; and
3. Act upon such other matters as may properly come before the Meeting.

Our Board of Directors unanimously recommends that you vote in favor of the proposals outlined herein. **YOUR VOTE IS VERY IMPORTANT.** Whether or not you plan to attend the Meeting, please take the time to vote. You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Instructions regarding voting are contained in the Notice of Internet Availability of Proxy Materials or proxy card.

**You should carefully read this Proxy Statement in its entirety prior to voting on the proposals listed above and outlined herein.** This Proxy Statement is dated March 16, 2009, and is first being made available to shareholders of the Company on or about March 20, 2009. A Notice Regarding Internet Availability of Proxy Materials for the Annual General Meeting was mailed to shareholders of the Company on or about March 20, 2009, which contained instructions on how to access our proxy materials, including our Proxy Statement and Annual Report.

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**THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Information Concerning Solicitation and Voting**

***Place, Time and Date of Meeting.*** This Proxy Statement is being furnished to the Company's shareholders in connection with the solicitation of proxies on behalf of our Board of Directors for use at the Meeting to be held on Thursday, April 30, 2009, at 9:00 a.m., Pacific Daylight Time, and at any subsequent adjournment(s) or postponement(s) thereof, for the purposes set forth herein and in the accompanying Notice of Annual General Meeting of Shareholders. The Meeting will be held at the executive offices of the Company's wholly-owned U.S. subsidiary, Herbalife International, Inc., at 800 W. Olympic Blvd., Los Angeles, California 90015. Our telephone number is (213) 745-0500.

***Internet Availability of Proxy Materials.*** Under rules recently adopted by the U.S. Securities and Exchange Commission, or the SEC, we are furnishing proxy materials to our shareholders primarily via the Internet, instead of mailing printed copies of those materials to each shareholder. On March 20, 2009, we mailed to our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy materials, including our Proxy Statement and our Annual Report.

***Record Date and Voting Securities.*** Only shareholders of record at the close of business on March 2, 2009, or the Record Date, are entitled to notice of and to vote at the Meeting. The Company has one series of Common Shares outstanding. As of the Record Date 61,498,148 Common Shares were issued and outstanding and held of record by 929 registered holders.

***Voting.*** Each shareholder is entitled to one vote for each Common Share held on the Record Date on all matters submitted for consideration at the Meeting. A quorum, representing the holders of not less than a majority of the issued and outstanding Common Shares entitled to vote at the Meeting, must be present in person or by proxy at the Meeting for the transaction of business. Common Shares that reflect abstentions are treated as Common Shares that are present and entitled to vote for the purposes of establishing a quorum and for purposes of determining the outcome of any matter submitted to the shareholders for a vote. However, abstentions do not constitute a vote for or against any matter and thus will be disregarded in the calculation of a plurality.

Broker non-votes are Common Shares held in street name through a broker or other nominee over which the broker or nominee lacks discretionary power to vote and for which the broker or nominee has not received specific voting instructions. Thus, if you do not give your broker or nominee specific instructions, your Common Shares may not be voted on certain matters. Common Shares that reflect broker non-votes are treated as Common Shares that are present and entitled to vote for the purposes of establishing a quorum. However, for the purposes of determining the outcome of any matter as to which the broker or nominee has indicated on the proxy that it does not have discretionary authority to vote, those Common Shares will be treated as not present and not entitled to vote with respect to that matter, even though those Common Shares are considered present and entitled to vote for the purposes of establishing a quorum and may be entitled to vote on other matters.

If you are a beneficial shareholder and your broker or nominee holds your Common Shares in its name, the broker or nominee is permitted to vote your Common Shares on matters such as the election of directors and the ratification of the appointment of independent registered public accountants, even if the broker or nominee does not receive voting instructions from you.

Directors are elected by a plurality, and the three nominees who receive the most votes will be elected. Abstentions and broker non-votes will not affect the outcome of the election.

In respect of all other proposals, to be approved, any such proposal must receive the affirmative vote of a majority of the Common Shares present or represented by proxy and entitled to vote. In determining the outcome of such proposals, abstentions have the effect of a negative vote. Broker non-votes will not affect the outcome of any such proposals.

**Revocability of Proxies.** Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by either (a) delivering to the Corporate Secretary of the Company a written notice of

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revocation or a duly executed proxy bearing a later date, (b) granting a subsequent proxy through the Internet or telephone or (c) attending the Meeting and voting in person.

***Solicitation Expenses.*** This solicitation of proxies is made by the Board of Directors and all related costs will be borne by the Company. Proxies may be solicited by certain of our directors, officers, and regular employees, without additional compensation, in person, by telephone, facsimile, or electronic mail. We will, upon request, reimburse brokerage firms and others for their reasonable expenses in forwarding solicitation material to the beneficial owners of Common Shares.

***Additional Information.*** This Proxy Statement contains summaries of certain documents, but you are urged to read the documents themselves for the complete information. The summaries are qualified in their entirety by reference to the complete text of the document. In the event that any of the terms, conditions or other provisions of any such document is inconsistent with or contrary to the description or terms in this Proxy Statement, such document will control. Each of these documents, as well as those documents referenced in this Proxy Statement as being available in print upon request, are available upon request to the Company by following the procedures described under Additional Information Annual Report, Financial and Additional Information.

**Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting of Shareholders to Be Held on April 30, 2009.  
The Proxy Statement and Annual Report to Shareholders are available at  
<http://bnymellon.mobular.net/bnymellon/hlf>**

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**PROPOSAL 1:**

**THE ELECTION OF DIRECTORS**

Our Amended and Restated Memorandum and Articles of Association, or the Memorandum and Articles of Association, presently provide for not less than one nor more than fifteen directors. The Board of Directors has, by resolution, presently fixed the number of directors at eight. The Memorandum and Articles of Association divide the Board of Directors into three classes, with the terms of office of each class of directors ending in different years. The current terms of office of Class II directors end at the Meeting. The current terms of office of Classes III and I directors end at the annual general meetings in 2010 and 2011, respectively. Currently Class I has three directors, Class II has two directors, and Class III has two directors.

The nominees for Class II directors are to be voted upon at the Meeting. The Board of Directors has nominated Pedro Cardoso, Murray H. Dashe and Colombe M. Nicholas for election as Class II directors to serve three-year terms expiring at the 2012 annual general meeting. Valeria Rico, a former Class II director, resigned from the Board on March 6, 2009. Leon Waisbein, a Class II director, has notified the Board of his decision to not stand for reelection. We are very sorry to report that Mr. Gaba, a member of the Company's Board of Directors since 2008, passed away on March 9, 2009. Mr. Gaba served as a Class III director.

The Company did not receive any shareholder nominations for director.

The persons named as proxies on the accompanying proxy card intend to vote the Common Shares as to which they are granted authority to vote for the election of the nominees listed above. The form of proxy card does not permit shareholders to vote for a greater number of nominees than three. Although the Board of Directors does not know of any reason why any nominee will be unavailable for election, in the event any nominee should be unavailable at the time of the Meeting, the proxies may be voted for a substitute nominee as selected by the Board of Directors.

The table below sets forth information about the three nominees and the directors whose terms of office continue beyond the Meeting.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR PEDRO CARDOSO, MURRAY H. DASHE AND COLOMBE M. NICHOLAS.**

**NOMINEES**

<b>Name and Experience</b>	<b>Class</b>	<b>Director Since</b>
<i>Pedro Cardoso</i> , age 42, has been an independent Herbalife distributor for 17 years and a member of the Chairman's Club since 2005. Mr. Cardoso has built a successful organization of Herbalife independent distributors in more than 20 countries. He has been active in training Herbalife distributors around the world, and is a member of various strategy and planning groups for Herbalife. He is also an active volunteer for the Herbalife Family Foundation. Prior to joining Herbalife, Mr. Cardoso served as the Transportation Supervisor of the Avon Company from 1990 to 1992. He received his degree in applied mathematics from the Autonomous University of Lisbon.	II	

***Murray H. Dashe***, age 66, currently retired, has been a member of the Board of Directors of Union Bank of California NA since 2006. Mr. Dashe was a member of the Board of Directors of Longs Drug Stores Corporation from 2002 until November 2008 and served as its Lead Independent Director from May 2006 through November 2008. From 1997 to 2005 he was with Cost Plus World Market where he most recently served as its Chairman, President and Chief Executive Officer. Mr. Dashe received his Bachelor of Arts in Economics from Albright College and his Master of Arts in Industrial Relations from Saint Francis University.

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<b>Name and Experience</b>	<b>Class</b>	<b>Director Since</b>
<p><b>Colombe M. Nicholas</b>, age 64, has served as a consultant to Financo Global Consulting, the international consulting division of Financo, Inc., since 2002. Prior to joining Financo, Ms. Nicholas served as the President and Chief Executive Officer of The Anne Klein Company from 1996 to 1999. Prior to this she served as the President and Chief Executive Officer of Orr Felt Company, President and Chief Operating Officer of Giorgio Armani Fashion Corp., and President and Chief Executive Officer of Christian Dior New York. Ms. Nicholas currently serves on the board of Tandy Brand Accessories, the Business Advisory Board of Hilco Consumer Capital and the Business Advisory Board of the University of Cincinnati College of Law. She received a bachelor of arts degree from the University of Dayton and a juris doctorate degree from the University of Cincinnati College of Law, and holds an honorary doctorate in business administration from Bryant College of Rhode Island.</p>	II	2006

**CONTINUING DIRECTORS**

<b>Name and Experience</b>	<b>Class</b>	<b>Director Since</b>
<p><b>Leroy T. Barnes, Jr.</b>, age 57, is the retired Vice President and Treasurer of PG&amp;E Corporation, a position he held from 2001 to 2005. From 1997 to 2001, Mr. Barnes was Vice President and Treasurer of Gap, Inc. Prior to that, Mr. Barnes held various executive positions with Pacific Telesis Group/SBC Communications. Earlier in his career, Mr. Barnes was a consultant at Touche, Ross &amp; Co., a predecessor of Deloitte &amp; Touche. Mr. Barnes received his Bachelor's and Master's degrees from Stanford University, and his MBA from Stanford Business School. Mr. Barnes is a member of the boards of directors of the McClatchy Newspaper Company, Inc., a newspaper and Internet publisher, and Frontier Communications, Inc., a telecommunications-focused company.</p>	III	2004
<p><b>Richard P. Bermingham</b>, age 69, currently retired, has over 40 years of business experience. Mr. Bermingham has been engaged in real estate development and investing activities as a private investor during the past several years. From 1994 to 1997, Mr. Bermingham was the Vice Chairman of the Board of American Golf. Mr. Bermingham worked for Collins Food International, which was acquired by Sizzler International, Inc., from 1967 to 1994. He served as the Chief Executive Officer and a member of the board of directors of this publicly traded company for the period from 1987 to 1994. Mr. Bermingham currently serves on the boards of EaglePicher Corp., Special Value Expansion Fund, LLC, Interactive Health, Inc. and Joe's Crab Shack. Additionally, Mr. Bermingham served on the Advisory Board of Missouri River Plastics until March 2007. Mr. Bermingham was a certified public accountant and received his Bachelor of Science degree from the University of Colorado.</p>	III	2004
<p><b>Lawrence M. Higby</b>, age 63, has been Advisor and Vice Chairman of Apria Healthcare Group Inc. since October 2008. He served as Chief Executive Officer of Apria Healthcare Group Inc. from 2002 to 2008, and from 1997 to 2004 served as its President and Chief Operating Officer. Prior to joining Apria Healthcare Group Inc. Mr. Higby served as President and Chief Operating Officer of Unocal's 76 Products Company and Group Vice President of Unocal Corporation. Earlier in his career he held various positions with the Times Mirror Company, Americas Pharmacy Inc., and PepsiCo. Mr. Higby serves as a Board Member of the</p>	I	2009

Automobile Club of Southern California and eHealth, Inc. He served as a Director of William Lyon Homes from 2006 to 2007 and as a Director of Apria Healthcare Group Inc. from 2002 to 2008. Mr. Higby received a Bachelor of Arts in Political Science from the University of California, Los Angeles.

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<b>Name and Experience</b>	<b>Class</b>	<b>Director Since</b>
<p><b>Michael O. Johnson</b>, age 54, is Chairman and Chief Executive Officer of the Company. Mr. Johnson joined the Company in April 2003 after 17 years with The Walt Disney Company, where he most recently served as President of Walt Disney International, and also served as President of Asia Pacific for The Walt Disney Company and President of Buena Vista Home Entertainment. Mr. Johnson has also previously served as a publisher of Audio Times magazine, and has directed the regional sales efforts of Warner Amex Satellite Entertainment Company for three of its television channels, including MTV, Nickelodeon and The Movie Channel. Mr. Johnson served as a director of Univision Communications, Inc., a television company serving Spanish-speaking Americans until March 29, 2007 and serves on the board of Loyola High School of Los Angeles. Mr. Johnson received his Bachelor of Arts in Political Science from Western State College.</p>	I	2003
<p><b>John Tartol</b>, age 57, has been an independent Herbalife distributor for 27 years and a member of the Chairman's Club since 2000. He is active in training other Herbalife distributors all over the world and has served on various strategy and planning groups for Herbalife. He is also active on behalf of various charities in his community and worldwide on behalf of the Herbalife Family Foundation. He has a Bachelor's degree in finance from the University of Illinois.</p>	I	2005

**THE BOARD OF DIRECTORS****Director Independence**

Our Board of Directors has affirmatively determined that each of Messrs. Barnes, Bermingham and Higby and Mme. Nicholas is, and Mme. Rico and Mr. Gaba were, during their tenures, independent under section 303A.02 of the New York Stock Exchange, or the NYSE, Listed Company Manual and the Company's Categorical Standards of Independence, which are attached hereto as Appendix A. The NYSE's independence guidelines and the Company's Categorical Standards include a series of objective tests, such as the director is not an employee of the Company and has not engaged in various types of business dealings involving the Company which would prevent a director from being independent. The Board of Directors has affirmatively determined that none of the Company's independent directors had any relationship with the Company.

**Board Meetings**

The Board of Directors met 10 times during fiscal 2008. All Board members attended at least 75% of the aggregate number of Board meetings and applicable committee meetings held while such individuals were serving on the Board of Directors, or such committees. Under the Company's Principles of Corporate Governance, which are available on the Company's website [www.herbalife.com](http://www.herbalife.com), by following the links through Investor Relations to Corporate Governance, each director is expected to dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties, including attending meetings of the shareholders of the Company, the Board of Directors and committees of which he or she is a member. All then-current members of the board of directors attended the 2008 annual general meeting.

It is the policy of the Board of Directors to hold four regularly scheduled meetings, each of which include an executive session of non-management directors without the presence of management as well as a session of only the independent directors. Additional meetings of the Board of Directors, executive sessions of non-management directors



and sessions of independent directors may be held from time to time as required or determined to be necessary. The Board of Directors has created the position of Director In Charge of Executive Sessions to preside over executive sessions of non-management directors. The position is filled by rotating independent directors with each serving a one year term. Colombe Nicholas currently serves as the Director In Charge of Executive Sessions.

**Table of Contents****2008 Director Compensation**

The table below summarizes the compensation paid by the Company to non-management directors for the fiscal year ended December 31, 2008.

<b>Name</b>	<b>Fees Earned or Paid in Cash(\$)</b>	<b>Stock Awards (\$)(1)</b>	<b>Total (\$)</b>
Leroy T. Barnes, Jr.	119,500	101,609	221,109
Richard P. Bermingham	124,500	101,609	226,109
Hal Gaba	55,375	89,949	145,324
Colombe M. Nicholas	102,000	101,609	203,609
Valeria Rico	97,167	101,609	198,776
John Tartol	54,000		54,000
Leon Waisbein	46,000		46,000
Peter Maslen(2)	1,597	5,468	7,065

(1) Amounts represent the dollar expense recognized for financial statement reporting purposes with respect to the fiscal year in accordance with SFAS No. 123R, Share Based Payments. See note 9 of the notes to consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 regarding assumptions underlying valuation of equity awards.

(2) Mr. Maslen retired from the Board effective January 23, 2008.

Each non-management director receives \$25,000 per year for services as a director and \$5,000 for each board committee on which the director serves (an additional \$20,000 per year for the chair of the audit committee and for the chair of the compensation committee, and an additional \$10,000 for the chair of the nominating and corporate governance committee). In addition, non-management directors receive (1) \$5,000 for each board meeting attended by the director in person or \$1,000 per board meeting attended telephonically, (2) \$3,500 for each audit committee meeting attended either in person or telephonically, and (3) \$2,500 for each compensation committee meeting and for each nominating and corporate governance committee meeting attended either in person or telephonically. Independent directors also receive a \$100,000 equivalent annual equity grant.

The Company has adopted stock ownership guidelines applicable to each non-management director. Specifically, each non-management director is encouraged to acquire and hold a number of Common Shares equal to five times such director's annual retainer within two years of such director's appointment or election to the Board of Directors.

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The table below summarizes the equity based awards held by the Company's non-management directors as of December 31, 2008.

Name	Options Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Un-Exercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Leroy T. Barnes, Jr.	15,625		14.00	12/15/2014	635	13,767
Richard P. Bermingham	7,500		14.00	12/15/2014	635	13,767
Hal Gaba					621	13,463
Colombe M. Nicholas					635	13,767
Valeria Rico					635	13,767
John Tartol						
Leon Waisbein						
Peter Maslen						

(1) Market value based on the closing price of a Common Share on the NYSE on December 31, 2008 of \$21.68.

Effective January 15, 2006, the Company established the Independent Directors Deferred Compensation and Stock Unit Plan, or the Independent Directors Plan, for the award of restricted stock units, or RSUs, to independent directors and to allow for deferral of compensation realized in connection with such RSUs and other director compensation. The purpose of the Independent Directors Plan is to promote the long term financial interest and growth of the Company by attracting and retaining independent directors who can make a substantial contribution to the success of the Company, and to motivate and to align their interests with those of the equity holders. The Independent Directors Plan is part of the Herbalife Ltd. 2005 Stock Incentive Plan. Effective January 27, 2009, the Independent Directors Plan and award agreements granted thereunder were amended to eliminate the ability to make further deferrals of compensation by independent directors. In addition, the Independent Directors Plan was amended such that awards to independent directors in 2009 and thereafter will be in the form of stock-settled stock appreciation rights, or SARs, instead of RSUs.

**Shareholder Communications with the Board of Directors**

Shareholders and other parties interested in communicating directly with the Board of Directors, non-management directors as a group or individual directors, including Colombe Nicholas in her capacity as the Director In Charge of Executive Sessions, may do so by writing to Herbalife Ltd., c/o Corporate Secretary, 800 W. Olympic Blvd,

Suite 406, Los Angeles, CA 90015, or by email at *corpsec@herbalife.com*, indicating to whose attention the communication should be directed. Under a process approved by the Board of Directors for handling letters received by the Company and addressed to non-management directors, the Corporate Secretary of the Company reviews all such correspondence and forwards to members of the audit committee a summary and/or copies of any such correspondence that, in the opinion of the Corporate Secretary, deal with the functions of the Board of Directors or committees thereof, or that he otherwise determines requires their attention. Directors may at any time review a log of all correspondence received by the Company and addressed to members of the Board of Directors and request copies of any such correspondence. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Company's internal audit department and handled in accordance with procedures established by the audit committee with respect to such matters.

**Committees of the Board**

Our Board of Directors has a standing audit committee, nominating and corporate governance committee, and compensation committee.

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***Audit Committee***

From January 1, 2008 to April 1, 2008, the audit committee consisted of Messrs. Barnes and Bermingham and Ms. Rico, each of whom is independent as discussed above under Director Independence. From April 1, 2008 to March 9, 2009, the audit committee consisted of Messrs. Barnes, Bermingham and Gaba, each of whom is or was independent as discussed above under Director Independence. Mr. Gaba passed away on March 9, 2009. Since March 10, 2009, the audit committee has consisted of Messrs. Barnes, Bermingham and Higby, each of whom is independent as discussed above under Director Independence. As required by Rule 303A.07 of the NYSE Listed Company Manual, the Board of Directors has affirmatively determined that each of Messrs. Barnes, Bermingham and Higby are, and Mr. Gaba and Ms. Rico (while on the audit committee) were, financially literate, and that Mr. Bermingham is an audit committee financial expert, as defined in Item 407(d)(5) of Regulation S-K. Mr. Barnes currently serves on the audit committee of two public companies in addition to that of the Company and, through October 20, 2008, had also served on the audit committee of Longs Drug Stores Corporation. As required by Rule 303A.07 of the NYSE Listed Company Manual, the Board of Directors had affirmatively determined that Mr. Barnes' simultaneous service on the audit committee of more than three public companies would not impair his ability to effectively serve on the Company's audit committee. As a result of his departure from the audit committee of Longs Drug Stores, Mr. Barnes no longer serves on the audit committee of more than three public companies.

The principal duties of the audit committee are as follows:

to monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting and reporting;

to monitor the independence and performance of the Company's independent auditors and internal auditing department; and

to provide an avenue of communication among the independent auditors, management, the internal auditing department and the Board of Directors.

Our Board of Directors has adopted a written charter for the audit committee which is available on the Company's website at [www.herbalife.com](http://www.herbalife.com) by following the links through Investor Relations to Corporate Governance, and in print to any shareholder who requests it as set forth under Additional Information Annual Report, Financial and Additional Information. In fiscal 2008, the audit committee met six times.

***Nominating and Corporate Governance Committee***

From January 1, 2008 to March 6, 2009, the nominating and corporate governance committee consisted of Mmes. Nicholas and Rico and Mr. Barnes, each of whom is or was independent as discussed above under Director Independence. Ms. Rico resigned from the Board on March 6, 2009. Since March 9, 2009, the nominating and corporate governance committee has consisted of Mme. Nicholas and Messrs. Barnes and Bermingham, each of whom is independent as discussed above under Director Independence. The principal duties of the nominating and corporate governance committee are as follows:

to recommend to the Board of Directors proposed nominees for election to the Board of Directors both at annual general meetings and to fill vacancies that occur between annual general meetings; and

to review and make recommendations to the Board of Directors regarding the Company's corporate governance matters and practices.

Working closely with the full Board of Directors, the nominating and corporate governance committee develops criteria for open board positions, taking into account such factors as it deems appropriate, including, among others, the current composition of the Board of Directors, the range of talents, experiences and skills that would best complement those already represented on the Board of Directors, the balance of management and independent directors and the need for financial or other specialized expertise. Applying these criteria, the nominating and corporate governance committee considers candidates for director suggested by its members and other directors, as well by management and shareholders. The nominating and corporate governance committee also retains a third-party executive search firm on an ad-hoc basis to identify and review candidates upon request of the committee from time to time.

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Once the nominating and corporate governance committee has identified a prospective nominee, whether the prospective nominee is recommended by a shareholder or otherwise, it makes an initial determination as to whether to conduct a full evaluation. In making this determination, the nominating and corporate governance committee considers the information provided to the committee with the recommendation of the candidate as well as the nominating and corporate governance committee's own knowledge, supplemented as appropriate by inquiries to third parties. The preliminary determination is based primarily on the need for additional directors and the likelihood that the prospective nominee can satisfy the criteria that the nominating and corporate governance committee has established. If the committee determines, in consultation with the Chairman of the Board of Directors and other directors as appropriate, that additional consideration is warranted, it may request the third-party search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the nominating and corporate governance committee. The nominating and corporate governance committee then evaluates the prospective nominee's qualifications against any specific criteria that it may establish for the position, as well as the standards and qualifications set out in the Company's Principles of Corporate Governance. Among other things, the committee considers the candidate's:

business experience and skills;

independence;

judgment;

integrity;

the ability to commit sufficient time and attention to Board activities; and

the absence of potential conflicts with the Company's interests.

If the nominating and corporate governance committee decides, on the basis of its preliminary review, to proceed with further consideration, the committee members, as well as other directors as appropriate, interview the nominee. After completing this evaluation and interview, the nominating and corporate governance committee makes a recommendation to the full Board of Directors, which makes the final determination whether to nominate the candidate after considering the nominating and corporate governance committee's report.

A shareholder who wishes to recommend a prospective nominee for the Board of Directors pursuant to the provisions of the Memorandum and Articles of Association should notify the Corporate Secretary in writing with the appropriate supporting materials, as more fully described under *Additional Information* *Shareholder Nominations*.

The Board of Directors has adopted a written charter for the nominating and corporate governance committee, which is available on the Company's website at [www.herbalife.com](http://www.herbalife.com) by following the links through *Investor Relations* to *Corporate Governance* or in print to any shareholder who requests it as set forth under *Additional Information* *Annual Report, Financial and Additional Information*. In fiscal 2008, the nominating and corporate governance committee met five times.

***Compensation Committee***

From January 1, 2008 to March 6, 2009, the compensation committee consisted of Mr. Bermingham and Mmes. Nicholas and Rico, each of whom is independent as discussed above under *Director Independence*. Ms. Rico resigned from the Board on March 6, 2009. Since March 9, 2009, the compensation committee has consisted of Mme. Nicholas and Messrs. Barnes and Bermingham, each of whom is independent as discussed above under *Director Independence*.

The principal duties of the compensation committee are as follows:

to oversee and approve compensation policies and programs;

to review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer and other executive officers;

to evaluate the performance of the Chief Executive Officer and recommend the compensation level of the Chief Executive Officer for approval by the independent members of the Board of Directors;



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to evaluate the performance of certain executive officers and, considering the Chief Executive Officer's recommendations, set the compensation level for such executive officers;