

HERBALIFE LTD.  
Form DEFA14A  
March 19, 2009

**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 on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.  
(1) Title of each class of securities to which

transaction  
applies:

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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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(4) Proposed  
maximum  
aggregate value  
of transaction:

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(5) Total fee  
paid:

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Fee paid  
previously with  
preliminary  
materials.  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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March 19, 2009

Dear Shareholders:

As you know, we will hold our Annual General Meeting of Shareholders on April 30, 2009. Enclosed is a supplement to the Proxy Statement that we previously filed with the Securities and Exchange Commission on March 16, 2009, concerning the Annual General Meeting. You should carefully read the supplement in conjunction with the Proxy Statement prior to voting on the proposals described in the Proxy Statement. Except as specifically set forth in the supplement, the supplement does not otherwise update any information as originally filed and does not reflect events occurring after the original filing date of the Proxy Statement.

Sincerely,

**BRETT R. CHAPMAN**  
*General Counsel and Corporate Secretary*

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**SUPPLEMENT TO PROXY STATEMENT DATED MARCH 16, 2009**

Herbalife Ltd., or the Company, is filing this Supplement to Proxy Statement to revise and supplement certain disclosure in its Proxy Statement related to its 2009 Annual General Meeting of Shareholders originally filed with the Securities and Exchange Commission on March 16, 2009, or the Proxy Statement. Except as specifically set forth below, this Supplement does not otherwise update any information as originally filed and does not reflect events occurring after the original filing date of the Proxy Statement.

The third and fourth sentences of the paragraph under the heading "General" on page 18 of the Proxy Statement are replaced with the following:

For 2008 this goal was a targeted earnings per share, or EPS, of \$3.17. As discussed below, for Mr. Johnson, payout pursuant to the "alternative" award was also subject to a net sales growth goal. The annual incentive funded and payable to each of Messrs. Johnson, Goudis, and Chapman is based solely on EPS, and net sales growth, as applicable, without Committee discretion.

The second to last sentence of the second paragraph under the heading "Targets and Determination" on page 18 of the Proxy Statement is replaced with the following:

For 2008, the Committee established an EPS goal under the "regular" performance award and both an EPS and a net sales growth rate goal (weighted equally) under the "alternative" performance award.

The "Michael O. Johnson (alternative)" line item in the table at the top of page 19 of the Proxy Statement is deleted. The paragraph that immediately follows that table is replaced with the following:

Under the terms of Mr. Johnson's employment agreement, there is no bonus funding under the portion of the "alternative" performance award based upon the EPS goal unless the Company achieves its threshold EPS of \$3.17. At the threshold level of performance, the payout under the EPS portion of the "alternative" performance award would be 18.75% of Mr. Johnson's base salary. Bonus funding and payout under the EPS portion of the "alternative" performance award increases by 10% of Mr. Johnson's base salary upon achievement of EPS of \$3.27 and thereafter increases by an additional 1% of base salary for each \$0.01 increase in EPS, with a maximum payout of 37.5% of base salary if EPS equals or exceeds \$3.37.

Under the terms of Mr. Johnson's employment agreement, there is no bonus funding under the portion of the "alternative" performance award based upon the net sales growth rate goal unless the Company achieves its threshold net sales growth rate of 8.0%. At the threshold level of performance, the payout under the net sales growth rate portion of the "alternative" performance award would be 18.75% of Mr. Johnson's base salary. Bonus funding and payout under the net sales growth rate portion of the "alternative" performance award increases by 10% of Mr. Johnson's base salary upon achievement of a net sales growth rate of 8.2% and thereafter increases by an additional 1% of base salary for each 0.1% or 0.2% increase in the net sales growth rate, with a maximum payout of 37.5% of base salary if the net sales growth rate equals or exceeds 9.8%.

Based on the Company's 2008 EPS and net sales growth rate, adjusted for certain non-recurring items that were agreed upon by the Committee at the time bonus targets were originally set, including nonrecurring expenses arising under our 2008 Reorganizing for Growth Plan and an increase in a tax valuation allowance on deferred tax assets, the Committee recommended, and the independent members of the Board of Directors approved, the full amount under the applicable achievement tiers to Mr. Johnson in respect of each of his "regular" and "alternative" performance awards.

On the basis of the same 2008 EPS, each of Messrs. Chapman and Goudis received the full amount due to them under the applicable achievement tier as set forth above and, in consideration of the achievement of the corporate and individual performance criteria specified in the Senior Management Bonus Plan, Mr. Johnson recommended, and the Committee approved, the incentive awards to each of Messrs. Walsh and Henig as are set forth in the 2008 Summary Compensation Table under the heading Non-Equity Incentive Plan Compensation.