

HERBALIFE LTD.  
Form PRE 14A  
March 01, 2013  
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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.**

(Name of Registrant as Specified In Its Charter)

(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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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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March , 2013

Dear Fellow Shareholder:

We are pleased to enclose information about the 2013 Annual General Meeting of Shareholders, or the Meeting, of Herbalife Ltd., or the Company, to be held on Thursday, April 25, 2013 at 9:00 a.m., Pacific Daylight Time, at the Beverly Hilton Hotel, 9876 Wilshire Boulevard, Beverly Hills, California 90210. As discussed in more detail in the accompanying Proxy Statement, at the Meeting you will be asked to consider proposals to:

1. Elect the five directors named in the Proxy Statement;
2. Advise as to the Company's executive compensation;
3. Approve an amendment to the Company's Amended and Restated Memorandum and Articles of Association to implement the annual election of directors;
4. Ratify the appointment of the Company's independent registered public accountants for fiscal 2013; and
5. 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 IN ACCORDANCE WITH THE BOARD OF DIRECTORS' RECOMMENDATIONS FOR EACH OF THE DIRECTOR NOMINEES NAMED IN THE ACCOMPANYING PROXY STATEMENT, AND FOR THE APPROVAL OF PROPOSALS 2, 3 AND 4.**

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. Please follow the instructions on the enclosed proxy card or voting instruction form. 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 and the proxy card.

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**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**To Be Held Thursday, April 25, 2013**

To our Shareholders:

NOTICE IS HEREBY GIVEN that the 2013 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 25, 2013 at 9:00 a.m., Pacific Daylight Time, at the Beverly Hilton Hotel, 9876 Wilshire Boulevard, Beverly Hills, California 90210, for the following purposes:

1. Elect the five directors named in the Proxy Statement;
2. Advise as to the Company's executive compensation;
3. Approve an amendment to the Company's Amended and Restated Memorandum and Articles of Association to implement the annual election of directors;
4. Ratify the appointment of the Company's independent registered public accountants for fiscal 2013; and
5. Act upon such other matters as may properly come before the Meeting.

Proposals 1, 2 and 4 will be proposed as Ordinary Resolutions as permitted by the Companies Law (2012 Revision). Proposal 3 will be proposed as a Special Resolution in accordance with the Companies Law (2012 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 6, 2013 are entitled to notice of and to attend and 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 and the proxy card.**

Sincerely,

BRETT R. CHAPMAN

*Chief Legal Officer and Corporate Secretary*

Los Angeles, California

March , 2013

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**PROXY STATEMENT FOR 2013**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Herbalife Ltd., also referred to as we, our, us, Herbalife or the Company, is calling its 2013 Annual General Meeting of Shareholders, or the Meeting, to be held on Thursday, April 25, 2013 at 9:00 a.m., Pacific Daylight Time, at the Beverly Hilton Hotel, 9876 Wilshire Boulevard, Beverly Hills, California 90210.

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

1. Elect the five directors named in the Proxy Statement;
2. Advise as to the Company's executive compensation;
3. Approve an amendment to the Company's Amended and Restated Memorandum and Articles of Association to implement the annual election of directors;
4. Ratify the appointment of the Company's independent registered public accountants for fiscal 2013; and
5. Act upon such other matters as may properly come before the Meeting.

Our Board of Directors unanimously recommends that you vote for each of the director nominees named herein and for the approval of proposals 2, 3 and 4. **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. Please follow the instructions on the enclosed proxy card or voting instruction form. 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 and the 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 20, 2013, and is first being made available to shareholders of the Company on or about March 20, 2013. We intended to mail a Notice Regarding Internet Availability of Proxy Materials for the Annual General Meeting to shareholders of the Company on or about March 20, 2013, 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 25, 2013, 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 Beverly Hilton Hotel, 9876 Wilshire Boulevard, Beverly Hills, California 90210. Our telephone number is (213) 745-0500.

**Internet Availability of Proxy Materials.** Under rules 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 or about March 20, 2013, we intend to mail 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 6, 2013, or the Record Date, or duly authorized proxy holders of such shareholders of record, 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 [###,###,###] Common Shares were issued and outstanding and held of record by [###] 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 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. The proposal to implement the annual election of directors requires a change to the Company's Amended and Restated Memorandum and Articles of Association and therefore is required to be passed as a Special Resolution under the Companies Law (2012 Revision) and, as such, must receive the affirmative vote of not less than 66.67% of the Common Shares present or represented by proxy and entitled to vote, in order to be approved. 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.

**Majority Vote Policy.** Pursuant to our Principles of Corporate Governance, any current member of our Board of Directors that is a nominee in an uncontested election who does not receive a majority of votes cast for his or her election is required to tender his or her resignation promptly following the failure to receive the



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required vote. The Nominating and Corporate Governance Committee of the Board is then be required to make a recommendation to the Board as to whether the Board should accept the resignation, and the Board would be required to decide whether to accept the resignation and to disclose its decision-making process.

The results of the advisory vote on the Company's executive compensation are not binding on the Board of Directors.

***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 revocation or a duly executed proxy bearing a later date, (b) granting a subsequent proxy through the Internet or telephone or (c) if you are a shareholder at the Record Date, by attending the Meeting and voting in person.

***Proxy Solicitation.*** The Company has retained MacKenzie Partners, Inc. to aid in the solicitation of proxies and to verify certain records related to the solicitation. The Company has paid MacKenzie Partners, Inc. a retainer of \$40,000 toward a final fee to be mutually agreed upon based upon customary fees for the Services provided, and will reimburse MacKenzie Partners, Inc. for its reasonable out-of-pocket expenses.

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.

***Meeting Attendance.*** Only shareholders of record as of March 6, 2013, authorized proxy holders of such shareholders, and invited guests of the Board may attend the Meeting.

If you are a shareholder of record, in order to be admitted to the meeting, you will need to produce picture identification (such as a valid driver's license or passport) as well as copy of a form of proxy or voting instruction form or a Notice showing your name and address. If you are an authorized proxy holder of a shareholder of record, in order to attend the meeting, you will need **both** an admission ticket and picture identification (such as a valid driver's license or passport). To obtain an admission ticket to the Meeting, please send your written request to Assistant Corporate Secretary, Herbalife International of America, Inc., 800 W. Olympic Boulevard, Suite 406, Los Angeles, California 90015. Your request must be received on or before April 19, 2013 and include a copy of a form of proxy or voting instruction form confirming your appointment as a proxy holder. In your request, please include the address where your admission ticket should be mailed, and any special assistance needs. The Board requests that persons attending the Meeting observe a professional business dress code.

***Meaning of Shareholder of Record.*** You will only be a shareholder of record if your name is recorded on the Company's register of members. If your name is not recorded on the Company's register of members, any shares you hold in the Company will be held beneficially. In this case you may still be entitled to direct the holder of your shares as to who should be appointed as proxy in respect of those shares and/or as to how to vote those shares on your behalf. If your shares are held beneficially and you wish to attend and vote at the meeting in person, you will need to attend as a proxy holder of the shareholder of record and observe the requirements set out herein for the lodgement of proxies.

Shareholders who have purchased their shares on an exchange may hold those shares through a depository, in which case they will be beneficial shareholders and will not be shareholders of record. If you hold your shares in street name you will not be a shareholder of record.

If you wish to enquire as to whether or not you are a shareholder of record, please contact our Assistant Corporate Secretary at our principal executive offices at c/o Herbalife International of America, Inc., 800 W. Olympic Boulevard, Suite 406, Los Angeles, California 90015.

***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.

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**Important Notice Regarding the Availability of Proxy Materials for the Annual General**

**Meeting of Shareholders to Be Held on April 25, 2013.**

**The Proxy Statement and Annual Report to Shareholders are available at**

**[http:// www.edocumentview/HLE](http://www.edocumentview/HLE).**

**PROPOSAL 1:**

**THE ELECTION OF DIRECTORS**

**Generally**

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 nine. The Memorandum and Articles of Association divide the Board of Directors into three classes, with the terms of office of each class of directors currently ending in different years. Currently the Board consists of four directors in Class I, two in Class II and three in Class III. The current terms of office of Class III directors end at the Meeting. The current terms of office of Class I and Class II directors end at the annual general meetings in 2014 and 2015, respectively.

Our Board of Directors has resolved that, immediately prior to the Meeting, the Board be expanded to eleven directors, with four directors in Class I, four directors in Class II and three directors in Class III. This expansion will result in two vacancies in Class II. The Board has nominated each of Jonathan Christodoro and Keith Cozza for election as Class II directors to serve two-year terms expiring at the 2015 annual general meeting. The Board has nominated each of Leroy T. Barnes, Jr., Richard P. Bermingham and Jeffrey T. Dunn for election as Class III directors to serve three-year terms expiring at the 2016 annual general meeting. Messrs. Christodoro and Cozza were recommended for nomination by a Company shareholder. 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.

**Director Qualifications**

The Board believes that the Board, as a whole, should possess a combination of skills, professional experience and diversity of backgrounds necessary to oversee the Company's business. In addition, the Board believes that there are certain attributes that every director should possess, as reflected in the Board's membership criteria discussed below. Accordingly, the Board and the nominating and corporate governance committee consider the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs.

The nominating and corporate governance committee is responsible for developing and recommending Board membership criteria to the Board for approval. The criteria, which are set forth in the Company's Principles of Corporate Governance, are available on the Company's website, [www.herbalife.com](http://www.herbalife.com), by following the links through Investor Relations to Corporate Governance, and include 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. In addition, the nominating and corporate governance committee periodically evaluates the composition of the Board to assess the skills and experience that are currently represented on the Board, as well as the skills and experience that the Board will find valuable in the future, given the Company's current situation and strategic plans. The nominating and corporate governance committee seeks a variety of occupational, educational, and personal backgrounds on the Board in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board in such areas as professional experience, geography, race, gender, ethnicity and age. While the nominating and corporate governance committee does not have a formal policy with respect to diversity, the nominating and corporate governance committee



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believes that it is essential that Board members represent diverse viewpoints. This periodic assessment enables the Board to update the skills and experience it seeks in the Board as a whole, and in individual directors, as the Company's needs evolve and change over time and to assess effectiveness of efforts at pursuing diversity. In identifying director candidates from time to time, the nominating and corporate governance committee may establish specific skills and experience that it believes the Company should seek in order to constitute a balanced and effective Board.

In evaluating director candidates, and considering incumbent directors for renomination to the Board, the nominating and corporate governance committee has considered a variety of factors. These include each nominee's independence, financial literacy, personal and professional accomplishments and experience, each in light of the composition of the Board as a whole and the needs of the Company in general, and for incumbent directors, past performance on the Board. The process undertaken by the nominating and corporate governance committee in recommending qualified director candidates is described below under [The Board of Directors](#) [Board Committees](#) [Nominating and Corporate Governance Committee](#).

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The table below sets forth information about the five nominees and the directors whose terms of office continue beyond the Meeting including each such person’s specific experience, qualifications, attributes and skills that led our Board of Directors to conclude that such nominee/director should serve on our Board of Directors.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR JONATHAN CHRISTODORO, KEITH COZZA, LEROY T. BARNES, JR., RICHARD P. BERMINGHAM AND JEFFREY T. DUNN.**

**NOMINEES**

<b>Name and Experience</b>	<b>Class</b>	<b>Director Since</b>
<p><b>Jonathan Christodoro</b>, age 36, serves as a Managing Director of Icahn Capital LP. Mr. Christodoro is responsible for identifying, analyzing and monitoring investment opportunities and portfolio companies for Icahn Capital. Prior to joining Icahn Capital LP, Mr. Christodoro served in various investment and research roles at P2 Capital Partners, LLC, Prentice Capital Management, LP and S.A.C Capital Advisors, LP. Mr. Christodoro began his career as an investment banking analyst at Morgan Stanley, where he focused on merger and acquisition transactions across a variety of industries. Mr. Christodoro received an M.B.A from the University of Pennsylvania’s Wharton School of Business with Distinction, majoring in Finance and Entrepreneurial Management. Mr. Christodoro received a B.S. in Applied Economics and Management Magna Cum Laude with Honors Distinction in Research from Cornell University. Mr. Christodoro also served in the United States Marine Corps.</p>	II	--
<p><b>Keith Cozza</b>, age 34, is currently the Chief Financial Officer of Icahn Associates Holding LLC, a position he has held since 2006. Since February 2013, Mr. Cozza has served as Executive Vice President of Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises L.P. (a diversified holding company engaged in a variety of businesses, including investment, automotive, energy, gaming, railcar, food packaging, metals, real estate and home fashion), and Chief Operating Officer of Icahn Capital LP, the entity through which Carl C. Icahn manages investment funds. Mr. Cozza served as Controller at Icahn Associates Holding LLC from 2004 to 2006. Prior to that Mr. Cozza was a senior assurance associate at Grant Thornton LLP. Mr. Cozza has been a director of: CVR Refining GP, LLC, the general partner of CVR Refining, LP, an independent downstream energy limited partnership, since January 2013; Icahn Enterprises G.P. Inc. since September 2012; and XO Holdings, a competitive provider of telecom services, since August 2011. Mr. Cozza was previously a director of MGM Holdings Inc., an entertainment company focused on the production and distribution of film and television content, from April 2012 to August 2012. CVR Refining and XO Holdings are indirectly controlled by Carl C. Icahn. Mr. Icahn also previously had a non-controlling interest in MGM Holdings through the ownership of securities. Mr. Cozza holds a B.S. in Accounting from the University of Dayton.</p>	II	--

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<b>Name and Experience</b>	<b>Class</b>	<b>Director Since</b>
<p><b>Leroy T. Barnes, Jr.</b>, age 61, 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 Principal Funds, Inc., Principal Variable Contracts, Inc., The McClatchy Company, a newspaper and Internet publisher, and Frontier Communications Corporation, a telecommunications-focused company, and was a member of the board of directors of Longs Drug Stores Corporation from February 2002 through October 2008. Mr. Barnes' qualifications to serve on our Board include his past professional financial experience, which provides the Board with valuable knowledge of financial matters, as well as his experience serving on other public company boards, which adds a depth of knowledge to our Board as to best practices in corporate governance.</p>	III	2004
<p><b>Richard P. Bermingham</b>, age 73, is currently retired, and has over 40 years of business experience. 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 board of Special Value Expansion Fund, LLC. Additionally, Mr. Bermingham served on the board of Ignite Restaurant Group, Inc until December 31, 2013, the board of Interactive Health, Inc. until May 2011, the board of EaglePicher Corp. until 2012 and 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. Mr. Bermingham's qualifications to serve on our Board include his significant consumer marketing experience, which is relevant to the Company's business operations in selling, and in certain circumstances manufacturing, packaged food and nutritional supplement products; his past professional financial experience, which provides the Board with important knowledge regarding financial reporting rules and also qualify him as an Audit Committee Financial Expert; his prior service as a chief executive officer, which helps the Board better understand management's day-to-day actions and responsibilities; and his service on other public company boards, which adds a depth of knowledge to our Board as to best practices in corporate governance.</p>	III	2004
<p><b>Jeffrey T. Dunn</b>, age 55, has served as the President and Chief Executive Officer of Bolthouse Farms, a premier health and wellness company located in Bakersfield, California, since May 2008. Bolthouse Farms is the North American leader in growing/processing of fresh carrots as well the fastest growing national brand of super-premium juices and smoothies. From January 2006 through December 2007, Mr. Dunn served as the President and Chief Executive Officer of Ubiquity Brands, Inc., the parent company of Jay Foods, Inc., a Midwestern manufacturer and distributor of snacks, and prior to Ubiquity was the Managing Partner of Grassy Lake Partners, an investment and consulting firm. From 1985 to 2004, Mr. Dunn held a variety of senior executive positions with The Coca-Cola Company, serving most recently as Executive Vice President, and President and Chief Operating Officer of Coca-Cola North America and previously serving as President and Chief Operating Officer of Coca-Cola Americas. Mr. Dunn received his Bachelor's degree in business administration from the University of Georgia and his MBA from Pepperdine University. In 2010, Mr. Dunn was appointed to the advisory board of the U.S. Food Day Initiative for the Center for Science in the Public Interest. Mr. Dunn's qualifications to serve on our Board include his significant consumer marketing experience, which is relevant to the Company's business operations in selling, and in certain circumstances manufacturing, packaged food and nutritional supplement products; his significant knowledge and experience regarding international business matters, which is relevant to the Company in light of its operations across 88 countries worldwide; and his service as a chief executive officer, which helps the Board better understand management's day-to-day actions and responsibilities.</p>	III	2009

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<b>Name and Experience</b>	<b>Class</b>	<b>Director Since</b>
<p><b>Carole Black</b>, age 69, is the former President and Chief Executive Officer of Lifetime Entertainment Services, a multi-media brand for women, including Lifetime Network, Lifetime Movie Network, Lifetime Real Women Network, Lifetime Online and Lifetime Home Entertainment, serving from March 1999 to March 2005. Prior to that, Ms. Black served as the President and General Manager of NBC4, Los Angeles, a commercial television station, from 1994 to 1999, and in various marketing-related positions at The Walt Disney Company, a media and entertainment company, from 1986 to 1993. Ms. Black has served as a director of Time Warner Cable Inc. since July 2006. Ms. Black's qualifications to serve on our Board include her prior service as a chief executive officer, which helps the Board better understand management's day-to-day actions and responsibilities; and her service on another public company board, which adds a depth of knowledge to our Board as to best practices in corporate governance.</p>	I	2011
<p><b>Michael O. Johnson</b>, age 58, is Chairman and Chief Executive Officer of the Company. Mr. Johnson joined the Company in April 2003 as Chief Executive Officers and became Chairman of the Board in May 2007. Mr. Johnson spent 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 formerly served as a director of Univision Communications, Inc., a television company serving Spanish-speaking Americans until March 2007, and on the Board of Regents for Loyola High School of Los Angeles. Mr. Johnson received his Bachelor of Arts in Political Science from Western State College. Mr. Johnson's qualifications to serve on our Board include his eight years of experience as our Chief Executive Officer and his five years of experience as our Chairman, which provides the Board with essential insight into the day-to-day operations of the Company as well as a broad based understanding of our business. Mr. Johnson also has significant experience in international business matters, which brings important knowledge to our Board regarding international business matters, which is particularly relevant to the Board in light of the Company's operations across 88 countries worldwide.</p>	I	2003
<p><b>Michael J. Levitt</b>, age 54, is currently our Lead Director. Mr. Levitt has served as the Vice Chairman of Apollo Capital Management L.P. since April 2012, and is the founder and served as the Chairman and Chief Executive Officer of Stone Tower Capital LLC, an alternative investment management firm, through its acquisition by Apollo Global Management, LLC, in April 2012. Prior to forming Stone Tower, Mr. Levitt was a partner with the private equity firm Hicks, Muse, Tate and Furst Incorporated, from 1996 to 2001. Prior to joining Hicks Muse, Mr. Levitt served as a Managing Director and the Co-Head of the Investment Banking Division of Smith Barney Inc. from 1993 to 1995, with responsibility for the advisory, private equity sponsor and leveraged finance activities of the firm. Prior thereto, Mr. Levitt was a Managing Director with Morgan Stanley &amp; Co. He was responsible for the firm's corporate finance, merger and acquisition and leveraged finance activities with private equity firms and non-investment grade companies. From October 2001 to March 2006, Mr. Levitt served as the lead outside director and chairman of the audit committee for IDT Corporation. Mr. Levitt also served as director of Alternative Asset Management Acquisition Corp. from March 2007 to May 2009. He served as Chairman of the Board from October 2009 to April 2010 of 57th Street General Acquisition Corp. In addition, he served as a director of Great American Group, Inc. from July 2009 to January 2013. Mr. Levitt received his undergraduate and Juris Doctor degrees from the University of Michigan. Mr. Levitt's qualifications to serve on our Board include his significant consumer products investment experience, which is relevant to the Company's business operations in selling, and in certain circumstances, manufacturing, packaged food and nutritional supplement products; his service as a Chief Executive Officer, which helps the Board better understand management's day-to-day actions and responsibilities; and his past professional financial experience, which provides the Board with valuable knowledge of financial matters.</p>	I	2011

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<b>Name and Experience</b>	<b>Class</b>	<b>Director Since</b>
<p><b>John Tartol</b>, age 61, has been an independent Herbalife distributor for 31 years and a member of the Company's 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. Mr. Tartol's qualifications to serve on our Board include his 31 years of experience as an Herbalife distributor, which brings a first-hand understanding of the function and specific needs of our independent distributors, the ultimate drivers of our business, to the Board. His tenure as a distributor provides valuable insight into the Company's growth and development over the 31-year period.</p>	I	2005
<p><b>Pedro Cardoso</b>, age 46, has been an independent Herbalife distributor for 21 years and a member of the Company's Chairman's Club since 2005. Mr. Cardoso has built a successful organization of Herbalife independent distributors in several 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. Mr. Cardoso's qualifications to serve on our Board include his 21 years of experience as an Herbalife distributor, which brings a first-hand understanding of the function and specific needs of our independent distributors, the ultimate drivers of our business, to the Board. His tenure as a distributor provides valuable insight into the Company's growth and development over the 21-year period.</p>	II	2009
<p><b>Colombe M. Nicholas</b>, age 68, 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 that role 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 Kimco Realty Corporation. From November 2004 through March 2007 Ms. Nicholas served on the board of directors of Mills Corp., from June 2004 until June 2007 she served on the board of directors of Oakley, Inc. and from 1999 through July 2012 she served on the board of directors of Tandy Brand Accessories. 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. Ms. Nicholas's qualifications to serve on our Board include her significant consumer marketing experience, which is relevant to the Company's business operations in selling, and in certain circumstances, manufacturing, personal care and beauty treatment products; her prior service as a chief executive officer, which helps the Board better understand management's day-to-day actions and responsibilities; and her service on other public company boards, which adds a depth of knowledge to our Board as to best practices in corporate governance.</p>	II	2006



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**THE BOARD OF DIRECTORS**

**Director Independence**

Our Board of Directors has affirmatively determined that each of Messrs. Barnes, Bermingham, Murray H. Dashe, Dunn and Levitt and Mmes. Black and Nicholas is or was 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 included as part of our Principles of Corporate Governance that are available on our website at [www.herbalife.com](http://www.herbalife.com) by following the links through Investor Relations to Corporate Governance. The NYSE's independence guidelines and the Company's Categorical Standards include a series of objective tests, such as the person is not an employee of the Company and has not engaged in various types of business dealings involving the Company which would prevent the person from being an independent director. The Board of Directors has affirmatively determined that none of the foregoing directors had any relationship with the Company that would classify him or her as not independent. Murray H. Dashe was a member of our Board through April 26, 2012, and declined to stand for reelection at our 2012 Annual Meeting of Shareholders for personal reasons.

**Board Meetings**

The Board of Directors met seven times during 2012. 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 such committees. 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 current members of the Board attended the 2012 Annual 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.

**Board Leadership**

Currently Mr. Johnson serves as our Chairman and CEO. The Board has determined that a board leadership structure featuring a single leader as Chairman and CEO combined with a Lead Director best serves the interests of the Company and its shareholders. Combining the roles of Chairman and CEO makes clear that the individual serving in these roles has primary responsibility for managing the Company's business, under the oversight and review of the Board. Under this structure, the Chairman and CEO chairs Board meetings, where the Board discusses strategic and business issues. The Board believes that this approach is appropriate because the CEO is the individual with primary responsibility for implementing the Company's strategy, directing the work of other executive officers and leading implementation of the Company's strategic plans as approved by the Board. This structure results in a single leader being directly accountable to the Board and, through the Board, to shareholders, and enables the CEO to act as the key link between the Board and other members of management.

In addition, the Board believes this structure is appropriate for the Company as the CEO is the person most knowledgeable about the Company and its business and is therefore the individual best able to provide guidance for productive Board meetings. The unique nature of the Company's direct selling business model requires that the Chairman and CEO forge a close relationship with, and obtain and maintain the trust of, the Company's independent distributors.

Because the Board also believes that strong, independent Board leadership is a critical aspect of effective corporate governance, the Board has established the position of Lead Director. The Lead Director is an independent director elected for a two year term by the independent directors. The Lead Director chairs the Board meetings during all executive sessions and when the Chairman and CEO is unable to participate in Board meetings, and is a contact point for shareholders and third parties who may desire to contact the Board

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independently of the Chairman and CEO. Mr. Bermingham served as Lead Director during 2012 and until February 24, 2013. Mr. Levitt was appointed Lead Director effective February 24, 2013. The responsibilities of the Lead Director include:

setting the agenda for and leading the regularly-held non-management and independent director sessions, and briefing the Chairman and CEO on any issues arising from those sessions;

coordinating the activities of the independent directors;

presiding at meetings of the Board at which the Chairman and CEO is not present, including executive sessions of the independent directors;

acting as the principal liaison to the Chairman and CEO for the views and any concerns and issues of the independent directors;

advising on the flow of information sent to the Board, and reviewing the agenda, materials and schedule for Board meetings;

being available for consultation and communication with major shareholders, as appropriate;

maintaining close contact with the chairperson of each standing committee; and

performing other duties that the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities. The Board believes that a single leader serving as Chairman and CEO, together with an experienced and engaged Lead Director, is the most appropriate leadership structure for the Board at this time. The Board periodically reviews the structure of Board and Company leadership as part of the succession planning process.

### **The Board's Role in Risk Oversight**

The full Board of Directors has the ultimate responsibility for risk oversight regarding the Company. The Board oversees a Company-wide approach to risk management, designed to enhance shareholder value and to support the achievement of strategic objectives and to improve long-term organizational performance. The first aspect of the Board's approach to risk management is to determine the appropriate level of risk for the Company generally, followed by an assessment of the specific risks the Company faces and the steps management is taking to manage those risks. The full Board's involvement in setting the Company's business strategy facilitates those assessments, culminating in the development of a strategic plan that reflects the Board's and management's consensus as to appropriate levels of risk as to specific aspects of the Company's business and the appropriate measures to manage those risks. Additionally, the full Board of Directors participates in a periodic enterprise risk management assessment during its quarterly meetings. In this process, risk is assessed throughout the business, focusing on risks arising out of various aspects of the Company's strategic plan and its implementation, including financial, legal/compliance, operational/strategic and compensation risks. The Board also assesses its role in risk oversight throughout our business. In addition to the discussion of risk with the full Board at least once a year, the independent directors discuss risk management during executive sessions without management present with the Lead Director presiding.

While the full Board of Directors has the ultimate oversight responsibility for the risk management process, various Board committees also have responsibility for risk management in certain areas. In particular, the audit committee focuses on financial risk, including internal controls, and assesses the Company's risk profile with the Company's internal auditors. The internal controls risk profile drives the internal audit plan for the coming year. The audit committee also handles violations of the Company's Code of Ethics and related corporate policies. Finally, the compensation committee periodically reviews compensation practices and policies to confirm that they do not encourage excessive risk taking. Management regularly reports on each such risk to the relevant committee or the full Board, as appropriate, and additional review or reporting

on enterprise risks is conducted as needed or as requested by the Board or the relevant committee.

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The table below summarizes the compensation paid by the Company to non-management directors for the fiscal year ended December 31, 2012.

Name	Fees Earned or Paid in Cash (\$)	Option/SAR Awards \$(1)	Total (\$)
Leroy T. Barnes, Jr.	116,874	109,994	226,868
Richard P. Bermingham	131,874	109,994	241,868
Carole Black	87,290	109,994	197,284
Pedro Cardoso	75,874	109,994	185,868
Murray H. Dashe(2)	41,207		41,207
Jeffrey T. Dunn	103,310	109,994	213,304
Michael J. Levitt	88,874	109,994	198,868
Colombe M. Nicholas	86,874	109,994	196,868
John Tartol	75,874	109,994	185,868

(1) Amounts represent the aggregate grant date fair value of the relevant award(s) presented in accordance with ASC Topic 718, Compensation Stock Compensation. 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, 2012 regarding assumptions underlying valuation of equity awards.

(2) Mr. Dashe declined to stand for reelection in 2012 and his Board service ended on April 26, 2012.

Each non-management director receives (i) \$60,000 per year for services as a director and \$5,000 for each Board committee on which the director served, an additional \$20,000 per year for the Lead Director, an additional \$15,000 per year for the chair of the audit committee, an additional \$10,000 per year for the chair of the compensation committee and an additional \$5,000 per year for the chair of the nominating and corporate governance committee, (ii) \$1,500 for each Board meeting attended by the director in person or \$1,000 per Board meeting attended telephonically, (iii) \$2,500 for each audit committee meeting attended either in person or telephonically and (iv) \$1,500 for each compensation committee and for each nominating and corporate governance committee meeting attended either in person or telephonically. Effective February 13, 2012, the annual retainer payable to all non-management directors was raised to \$70,000 and the annual retainer payable to the chair of the nominating and corporate governance committee was raised to \$10,000. Cash fees with respect to Board or committee membership or service as the Lead Director or a committee chair are paid ratably assuming twelve consecutive months of service from the date the particular membership or service commences. Cash fees for attending Board or committee meetings are paid in the month following the meeting date. Non-management directors also receive an annual equity grant pursuant to the Company's Amended and Restated Non-Management Directors Compensation Plan, which is part of the Herbalife Ltd. Amended and Restated 2005 Stock Incentive Plan, in the form of stock-settled stock appreciation rights, or SARs, with a grant date fair value (as determined for financial reporting purposes) of \$110,000 (rounded down to the nearest whole unit), which vest in four equal installments of 25% on July 15 and October 15 of the year of grant and January 15 and April 15 of the following year.

The Company has adopted stock ownership guidelines applicable to each non-management director. Specifically, each non-management director is encouraged to hold Common Shares and/or vested equity awards with a value equal to five times such director's annual retainer within two years of such director's appointment or election to the Board of Directors. As of the date of this Proxy Statement, each of Mme. Nicholas and Messrs. Bermingham, Levitt and Tartol is compliant with these guidelines, Mme. Black is still in her initial two-year period, and Messrs. Barnes, Cardoso and Dunn are still working towards compliance.

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The table below summarizes the equity-based awards held by the Company's non-management directors as of December 31, 2012.