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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

October 24, 2006

Herbalife Ltd.

(Exact name of registrant as specified in its charter)

Cayman Islands

1-32381

98-0377871

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

PO Box 309 GT, Uglan House, South Church Street,  
Grand Cayman, Cayman Islands

0000000

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

c/o (310) 410-9600

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

Item 1.01 Entry into a Material Definitive Agreement.

Employment Agreement

On October 24, 2006, Herbalife Ltd. (the "Company"), announced that it entered into an employment agreement (the "Agreement"), dated October 24, 2006, with Richard P. Goudis (the "Executive").

Pursuant to the Agreement, Mr. Goudis will continue serving as the Company's Chief Financial Officer and will receive an annual salary of \$525,000. If the Company's Chief Executive Officer's salary is increased, then Executive's salary shall be increased by the same percentage. However, if in any given year Executive accepts an increase in base salary of a greater percentage than that received by the Chief Executive Officer, then Executive's salary shall no longer be tied to any increases in the Chief Executive Officer's salary. Should the Company adopt an across-the-board reduction in salaries for senior executives and its Chief Executive Officer, then Executive's salary shall be reduced by a percentage equal to the smallest percentage reduction imposed on any senior executive or the Chief Executive Officer, but in no case shall such reduction exceed ten percent.

Executive will also continue to be entitled to participate in the Company's employee benefit plans and arrangements made available to the Company's most senior executives, as well as the Company's long-term incentive plan for senior executives. Pursuant to the Agreement, should the Company achieve certain targets established by the Compensation Committee of the Board of Directors, Executive shall be entitled to a target bonus of 50% of his annual salary for the year in question under the same circumstances.

If Executive is terminated by the Company without "Cause" or resigns for "Good Reason," each as defined in the Agreement, Executive will be paid a lump sum amount equal to two times Executive's then-current annual salary, in addition to all other accrued but unpaid entitlements. Under these circumstances, the Company will also provide Executive with outplacement services for up to six months by a provider selected and paid for by the Company in an amount not to exceed \$20,000. If Executive is terminated by the Company without Cause, resigns for Good Reason, or retires, dies, or resigns as a result of a disability, Executive will be entitled to receive a pro rata bonus payment, at such time bonuses are paid to the Company's other senior executives, based on the number of months worked in the applicable year. As a precondition to the Company's obligation to pay the amounts described above, Executive must execute a general release of claims.

If the effective date of such termination without Cause or resignation for Good Reason occurs during a "trading blackout" or "quiet period" with respect to the Company's common shares or if the Company determines, upon the advice of legal counsel, that Executive may not trade in the Company's common shares on the effective date of such termination due to Executive's possession of material nonpublic information, and in each case the restriction or prohibition continues for a period of at least twenty consecutive calendar days, Executive will be paid an additional lump sum amount equal to \$125,000.

The Agreement also provide for non-solicitation covenants applicable following the termination of Executive's employment for a period of two years, as well as standard confidentiality and non-disparagement covenants, subject to certain limitations.

The foregoing summary is qualified in its entirety by reference to the complete text of the Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Stock Unit Grant

Also on October 24, 2006, the Company granted Executive 15,000 Stock Units pursuant to the terms of the Company's 2005 Stock Incentive Plan (the "Plan"), with each Stock Unit representing the right to receive one common share of the Company, as described below:

One-third of Executive's Stock Units vested as of the date of grant. Subject to the exceptions set forth below, the remaining two-thirds of Executive's Stock Units shall vest in two equal installments on June 30, 2007 and June 30, 2008, in each case subject to Executive's continued employment with the Company. Upon the occurrence of a "Change of Control," as defined in the Plan, 50% of all unvested Stock Units shall immediately vest; however, the Compensation Committee of the Board of Directors may, in its sole discretion, accelerate the vesting of additional Stock Units upon the occurrence of a Change of Control. Should Executive's employment be terminated for any reason other than Cause or resignation for Good Reason within the 90-day period preceding a Change of Control or at any time after a Change of Control, then all of Executive's unvested Stock Units shall vest as of the effective date of the termination. Except as set forth in the immediately preceding sentence, should Executive's employment be terminated for any reason other than for Cause or resignation for Good Reason and at the time of such termination Mr. Michael O. Johnson is no longer serving as the Company's Chief Executive Officer, then 50% of Executive's unvested Stock Units shall vest immediately prior to such termination. If Executive's employment is terminated as a result of Executive's death or disability, all unvested Stock Units will vest as of the date of such termination. Except as set forth above, all unvested Stock Units shall be forfeited upon the termination of Executive's employment with the Company.

From and after the date of grant and unless and until the Stock Units are forfeited or otherwise transferred back to the Company, Executive will be credited with additional Stock Units having a value equal to dividends declared by the Company, if any, with record dates that occur prior to the vesting and settlement of any of Executive's Stock Units as if the common shares underlying such Stock Units had been issued and outstanding, based on the fair market value of a common share on the applicable dividend payment date. Any such additional Stock Units shall be considered part of the initial award and shall also be credited with additional Stock Units as dividends, if any, are declared, and shall be subject to the same restrictions and conditions as the Stock Units subject to the award with respect to which they were credited. Except as set forth above, Executive shall not be entitled to any privileges of ownership of the common shares underlying the Stock Units, including voting, until such common shares are actually delivered.

The foregoing summary is qualified in its entirety by reference to the complete text of the Stock Unit Agreement, a copy of which is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Amendments to Prior Grants of Stock Options

Also on October 24, 2006, the Company entered into amended stock option agreements with the Executive (collectively, the "Amendments"). Specifically, the Stock Option Agreements between the Company and Executive dated as of June 14, 2004, September 1, 2004, December 1, 2004 and April 27, 2005 were amended to provide that 50% of the unvested portion of the awards granted pursuant to such agreements would vest (a) simultaneously with the consummation of a Change of Control, or (b) immediately prior to the termination of Executive's employment should his employment be terminated for any reason other than for Cause or resignation for Good Reason and at the time of such termination Mr. Michael O. Johnson is no longer serving as the Company's Chief Executive Officer. The Amendments also provide that all of any unvested awards granted pursuant to such agreements will vest upon Executive's termination if his employment is terminated (i) by reason of Executive's death or disability during the 90 day period preceding a Change of Control or (ii) other than for Cause or resignation for Good Reason at any time following the consummation of a Change of Control.

The foregoing summaries are qualified in their entirety by reference to the complete text of the Amendments, copies of which are attached hereto as Exhibits 10.3, 10.4, 10.5 and 10.6 and are incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit Description of Exhibit

10.1 Employment Agreement by and between Herbalife Ltd. and Richard P. Goudis dated October 24, 2006

10.2 Stock Unit Agreement by and between Herbalife Ltd. and Richard P. Goudis dated October 24, 2006

10.3 Amendment dated October 24, 2006, to Stock Option Agreement by and between Herbalife Ltd. and Richard P. Goudis dated June 14, 2004

10.4 Amendment dated October 24, 2006, to Stock Option Agreement by and between Herbalife Ltd. and Richard P. Goudis dated September 1, 2004

10.5 Amendment dated October 24, 2006, to Stock Option Agreement by and between Herbalife Ltd. and Richard P. Goudis dated December 1, 2004

10.6 Amendment dated October 24, 2006, to Stock Option Agreement by and between Herbalife Ltd. and Richard P. Goudis dated April 27, 2005

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Herbalife Ltd.

*October 26, 2006*

*By: /s/ Brett R. Chapman*

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*Name: Brett R. Chapman  
Title: General Counsel*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
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## EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”), dated as of October 24, 2006 is made and entered into by RICHARD P. GOUDIS (“Executive”) and HERBALIFE INTERNATIONAL OF AMERICA, INC., a California corporation (“Company”). The parties to this Agreement agree as follows:

1. Employment At-Will. The Company and Executive acknowledge and agree that each can terminate the employment relationship at any time upon written notice to the other, with or without prior notice, for any reason or for no reason. Executive has received no promise of continued employment or employment for any specific period of time, and no employee of the Company, including without limitation the Company’s officers, has the authority to alter the at-will nature of the employment relationship except in a written employment contract signed by an authorized Company executive and by Executive.

2. Duties. Executive shall serve in the Los Angeles, California area as Chief Financial Officer of the Company, with all of the authority, duties, and responsibilities commensurate with such position. Executive shall report only to the Chief Executive Officer or Chairman of the Company. Executive’s service on any outside board of directors, including any non-profit board, shall be subject to joint approval by the Chief Executive Officer and the Company’s Board of Directors (the “Board”); provided, however, the board set forth in Schedule A attached hereto is deemed approved.

### 3. Compensation and Related Matters.

(a) Salary. Executive shall receive a salary at the per annum rate of Five Hundred Twenty Five Thousand Dollars (\$525,000), payable in accordance with the Company’s payroll practices for Senior Executives (as defined in Section 3(b) below). Executive’s Salary shall be subject to an annual review and adjustment in the discretion of the Chief Executive Officer, subject to approval by the Board’s Compensation Committee. In the event that the Chief Executive Officer’s salary is increased, then Executive’s Salary shall be increased the same percentage; provided, however, that if Executive accepts a higher percentage increase in base Salary than the Chief Executive Officer in any period, then from that day forward, increases in Executive’s Salary will no longer be tied to increases in the Chief Executive Officer’s salary. Executive’s Salary shall be subject to a reduction of not more than ten percent in the event that the Company adopts an across-the-board reduction for Senior Executives and the Chief Executive Officer, in which event such percentage reduction shall not exceed the smallest percentage reduction imposed on any Senior Executive or the Chief Executive Officer.

(b) Employee Benefits. Executive and Executive’s qualified dependents shall be entitled to participate in or receive benefits under each benefit plan or arrangement made available by the Company to its most senior executives (including its President and Chief Operating Officer but specifically excluding its Chief Executive Officer (“Senior Executives”)) including, without limitation, those relating to group medical, dental, vision, long-term disability, D&O, accidental death and dismemberment, and life insurance, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and subject to the Company’s right to modify, amend or terminate any such plan or arrangement with or without prior notice. Executive shall be eligible to participate in the Company’s 401K program and the Company’s Deferred Compensation program. Executive shall be entitled to reimbursement of reasonable business expenses in accordance with the Company’s practices and procedures. Executive shall be entitled to paid vacation in accordance with Company policy.

(c) Bonus. If the Company shall achieve the applicable bonus target set annually by the Board’s Compensation Committee (the “Performance Target”), then the Company shall pay Executive a cash bonus in an amount equal to one hundred percent (100%) of Executive’s Target Bonus (as defined below) calculated in accordance with the Company’s then current bonus plan in effect for its Senior Executives. The Performance Target utilized for calculating Executive’s bonus shall be the same as that utilized in calculating the primary bonus (and not the APT bonus) for its Chief Executive Officer. Executive’s “Target Bonus” shall be in an amount no less than fifty percent of Executive’s annual salary for the year with respect to which the bonus is to be paid. Any bonus will be paid following the completion of the relevant calendar year at such time bonuses are paid to the Company’s other Senior Executives.

(d) Long-Term Incentives. Executive shall be eligible to participate in the Company’s long-term incentive plan for Senior Executives, if any. The size, form, and timing of grants, if any, shall be consistent with competitive practice, internal position responsibilities, and subject to the joint approval of the Chief Executive Officer and the Board’s Compensation Committee.

### 4. Severance.

(a) Although nothing in this Section 4 shall be construed to alter the at-will nature of employment as set forth in Section 1 above, if Executive is terminated by the Company without Cause or resigns for Good Reason, Executive will be paid a lump sum amount equal to two times Executive’s then-current annual salary (the “Salary Severance”), in addition to all other accrued entitlements such as unpaid salary and accrued vacation, if any. If Executive is terminated by the Company without Cause or resigns for Good Reason, the Company will also provide Executive with outplacement services for up to six months by a provider selected and paid for by the Company in an amount not to exceed \$20,000; Executive shall not be entitled to cash in lieu of outplacement services. If Executive is terminated by the Company without Cause, resigns for Good Reason, retires, dies, or resigns as a result of a disability, Executive will be entitled to receive a pro rata bonus payment, at such time bonuses are paid to the Company’s other Senior Executives, based on the number of months worked in the applicable fiscal year of the Company (the “Bonus Severance”). Executive will have no duty to mitigate. As a precondition to the Company’s obligation to pay Executive severance of two years of salary and a pro rata bonus, Executive agrees to execute and deliver to the Company a fully effective general release in the form attached to this Agreement as Attachment A. Company shall pay Executive the Salary Severance on the date which is the later of ten days after the date on which it receives the signed release or six months after the date of separation from service, and the Company shall pay the Bonus Severance on the date which is the later of ten days after the date on which it receives the signed release, the date on which Company pays bonuses to Company’s Senior Executives for the applicable year, or

the date that is six months after the date of separation from service. Executive understands and agrees that Executive shall not be entitled to any other severance benefit not set forth in this Section 4, and accordingly Executive expressly acknowledges that the Company will not be obligated to make 401(k) contributions following the termination of Executive's employment.

(b) In the event that Executive is qualified for and elects COBRA coverage under the Company's health plans after a termination without Cause or a resignation for Good Reason, the Company will continue to pay its share of the cost of premiums under such plans until Executive is reemployed, or for a period of two years, whichever occurs first. Upon a termination for Cause and upon a resignation without Good Reason (other than due to death, disability or retirement), except as set forth in Section 4(a) above and/or one or more separate written agreements between Company and Executive, all unearned compensation, benefits and unvested options shall be forfeited.

(c) If Executive is terminated by the Company without Cause or resigns for Good Reason, and on the effective date of such termination Executive is subject to a "trading blackout" or "quiet period" with respect to the Company's common shares or if the Company determines, upon the advice of legal counsel, that on the effective date of such termination Executive may not to trade in the Company's common shares due to Executive's possession of material non-public information, in each case, which restriction or prohibition continues for a period of at least twenty consecutive calendar days, Executive will be paid an additional lump sum amount equal to \$125,000 (the "Blackout Period Severance"). Company shall pay Executive the Blackout Period Severance on the same date that the Salary Severance is paid.

(d) For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's services in the event of any of the following acts or circumstances: (i) Executive's conviction of a felony or entering a plea of guilty or nolo contendere to any crime constituting a felony (other than a traffic violation or by reason of vicarious liability); (ii) Executive's substantial and repeated failure to attempt to perform Executive's lawful duties as contemplated in Section 2 of this Agreement, except during periods of physical or mental incapacity; (iii) Executive's gross negligence or willful misconduct with respect to any material aspect of the business of the Company or any of its affiliates, which gross negligence or willful misconduct has a material and demonstrable adverse effect on the Company; (iv) Executive's material violation of a Company policy resulting in a material and demonstrable adverse effect to the Company or an affiliate, including but not limited to a violation of the Company's Code of Business Conduct and Ethics; or (v) any material breach of this Agreement or any material breach of any other written agreement between Executive and the Company's affiliates governing Executive's equity compensation arrangements (i.e., any agreement with respect to Executive's stock and/or stock options of any of the Company's affiliates); provided, however, that Executive shall not be deemed to have been terminated for Cause in the case of clause (ii), (iii), (iv) or (v) above, unless any such breach is not fully corrected prior to the expiration of the thirty (30) calendar day period following delivery to Executive of the Company's written notice of its intention to terminate his employment for Cause describing the basis therefore in reasonable detail.

(e) Executive will be deemed to have a "Good Reason" if Executive terminates his employment because of (i) a material diminution of Executive's duties as Chief Financial Officer, (ii) the failure by any successor of the Company to assume in writing the Company's obligations under this Agreement, (iii) the breach by the Company in any respect of any of its obligations under this Agreement, and, in any such case (but only if correction or cure is possible), the failure by the Company to correct or cure the circumstance or breach on which such resignation is based within 30 days after receiving notice from Executive describing such circumstance or breach in reasonable detail, (iv) the relocation of Executive's primary office location of more than 50 miles that places the primary office farther from Executive's residence than it was before, or (v) the imposition by the Company of a requirement that Executive report to a person other than the Chief Executive Officer of the Company or the Chairman of the Board. Executive shall not have a Good Reason to resign if the Company suspends Executive due to an indictment of Executive on felony charges, provided that the Company continues to pay Executive's salary and benefits. No Salary Severance is payable after Executive turns age 65, regardless of whether Executive has a Good Reason for resignation and regardless whether the Company has Cause to terminate Executive.

5. Adjustment to Payments Triggering Excise Tax. In the event that any amount or benefit that may be paid or otherwise provided to or in respect of the Executive by the Company or any affiliated company, whether pursuant to this Agreement or otherwise (collectively, "Covered Payments"), is or may become subject to the tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (or any successor provision) ("Excise Tax"), the Company shall pay to the Executive a "Reimbursement Amount," defined as an amount, which when added to the Covered Payments and after taking into account any federal, state or local tax resulting from the Covered Payment and the Reimbursement Amount will provide Executive with after tax net income equal to the amount Executive would have earned had no Excise Tax been imposed on the Covered Payments.

#### 6. Confidential and Proprietary Information.

(a) The parties agree and acknowledge that during the course of Executive's employment, Executive will be given and will have access to and be exposed to trade secrets and confidential information in written, oral, electronic and other forms regarding the Company and its affiliates (which includes but is not limited to all of its business units, divisions and affiliates) and their business, equipment, products and employees, including, without limitation: the identities of the Company's and its affiliates' distributors and customers and potential distributors and customers (hereinafter referred to collectively as "Distributors"), including, without limitation, the identity of Distributors that Executive cultivates or maintains while providing services at the Company or any of its affiliates using the Company's or any of its affiliates' products, name and infrastructure, and the identities of contact persons with respect to those Distributors; the particular preferences, likes, dislikes and needs of those Distributors and contact persons with respect to product types, pricing, sales calls, timing, sales terms, rental terms, lease terms, service plans, and other marketing terms and techniques; the Company's and its affiliates' business methods, practices, strategies, forecasts, pricing, and marketing techniques; the identities of the Company's and its affiliates' licensors, vendors and other suppliers and the identities of the Company's and its affiliates' contact persons at such licensors, vendors and other suppliers; the identities of the Company's and its affiliates' key sales representatives and personnel and other employees; advertising and sales materials; research, computer software and related materials; and other facts and financial and other business information concerning

or relating to the Company or any of its affiliates and their business, operations, financial condition, results of operations and prospects. Executive expressly agrees to use such trade secrets and confidential information only for purposes of carrying out his duties for the Company and its affiliates as he deems appropriate in his good faith judgment, and not for any other purpose, including, without limitation, not in any way or for any purpose that could reasonably be foreseen to be detrimental to the Company or any of its affiliates; provided, Executive shall be permitted to disclose such trade secrets and confidential information to third parties in the course of performing his duties for the Company and its affiliates as he deems appropriate in his good faith judgment provided that prior to such disclosure Executive causes the intended recipient of such information to sign a confidentiality agreement. Executive shall not at any time, either during the course of his employment hereunder or after the termination of such employment, use for himself or others, directly or indirectly, any such trade secrets or confidential information, and, except as required by law or as permitted hereunder, Executive shall not disclose such trade secrets or confidential information, directly or indirectly, to any other person or entity. Trade secret and confidential information hereunder shall not include any information which (i) is already in or subsequently enters the public domain, other than as a result of any unauthorized direct or indirect disclosure by Executive, (ii) becomes available to Executive on a non-confidential basis from a source other than the Company or any of its affiliates, provided that Executive has no knowledge that such source is subject to a confidentiality agreement or other obligation of secrecy or confidentiality (whether pursuant to a contract, legal or fiduciary obligation or duty or otherwise) to the Company or any of its affiliates or any other person or entity or (iii) is approved for release by the Chief Executive Officer or the board of directors of the Company or any of its affiliates or which the Chief Executive Officer or the board of directors of the Company or any of its affiliates makes available or authorizes Executive to make available to third parties without an obligation of confidentiality.

(b) All physical property and all notes, memoranda, files, records, writings, documents and other materials of any and every nature, written or electronic, which Executive shall prepare or receive in the course of his employment with the Company and which relate to or are useful in any manner to the business now or hereafter conducted by the Company or any of its affiliates are and shall remain the sole and exclusive property of the Company and its affiliates, as applicable. Executive shall not remove from the Company's premises any such physical property, the original or any reproduction of any such materials nor the information contained therein except for the purposes of carrying out his duties to the Company or any of its affiliates and all such property (except for any items of personal property not owned by the Company or any of its affiliates), materials and information in his possession or under his custody or control upon the termination of his employment (other than such materials received by Executive solely in his capacity as a shareholder) or at any other time upon request by the Company shall be immediately turned over to the Company and its affiliates, as applicable.

(c) All inventions, improvements, trade secrets, reports, manuals, computer programs, tapes and other ideas and materials developed or invented by Executive during the period of his employment, either solely or in collaboration with others, which relate to the actual or anticipated business or research of the Company or any of its affiliates which result from or are suggested by any work Executive may do for the Company or any of its affiliates or which result from use of the Company's or any of its affiliates' premises or property (collectively, the "Developments") shall be the sole and exclusive property of the Company and its affiliates, as applicable. Executive assigns and transfers to the Company his entire right and interest in any such Development, and Executive shall execute and deliver any and all documents and shall do and perform any and all other acts and things necessary or desirable in connection therewith that the Company or any of its affiliates may reasonably request, it being agreed that the preparation of any such documents shall be at the Company's expense. Nothing in this paragraph applies to an invention which qualifies fully under the provisions of California Labor Code Section 2870.

(d) Following the termination of Executive's employment, Executive will reasonably cooperate with the Company (at the Company's expense, if Executive reasonably incurs any out-of-pocket costs with respect thereto, including, but not limited to, lost salary or the value of vacation benefits used in connection therewith) in any defense of any legal, administrative or other action in which the Company or any of its affiliates or any of their distributors or other business relations are a party or are otherwise involved, so long as any such matter was related to Executive's duties and activities conducted on behalf of the Company or its Subsidiaries.

(e) The provisions of this Section 6 and Section 7 shall survive any termination of this Agreement and termination of Executive's employment with the Company.

7. Non-Solicitation. Executive acknowledges that in the course of his employment for the Company he will become familiar with the Company's and its affiliates' trade secrets and other confidential information concerning the Company and its affiliates. Accordingly, Executive agrees that, during Executive's employment and for a period of twenty-four (24) months immediately thereafter (the "Nonsolicitation Period"), he will not directly or indirectly through another entity unlawfully (i) induce or attempt to induce any employee or Distributor of the Company or any of its affiliates to leave the employment of, or cease to maintain its distributor relationship with, the Company or such affiliate, or in any way interfere with the relationship between the Company or any such affiliate and any employee or Distributor thereof, (ii) hire any person who was an employee of the Company or any of its affiliates at any time during the Nonsolicitation Period unless such person's employment was terminated by the Company or such affiliate or enter into a distributor relationship with any person or entity who was a Distributor of the Company or any of its affiliates at any time during the Nonsolicitation Period, (iii) induce or attempt to induce any Distributor, supplier, licensor, licensee or other business relation of the Company or any of its affiliates to cease doing business with the Company or such affiliate, or in any way interfere with the relationship between such Distributor, supplier, licensor, licensee or business relation and the Company or any of its affiliates or (iv) use any trade secrets or other confidential information of the Company or any of its affiliates to directly or indirectly participate in any means or manner in any business which is a direct competitor of the Company.

8. Non-Disparagement. During Executive's employment and thereafter, Executive agrees not to make any derogatory, negative or disparaging public statement about the Company, its officers, its employees, or members of its Board, or to make any public statement (or any statement likely to become public) that could reasonably be expected to adversely affect or disparage the reputation, or, to the extent applicable, business or goodwill of the Company, it being agreed and understood that nothing herein shall prohibit Executive (a) from disclosing that Executive is no longer employed by the Company, (b) from responding truthfully to any governmental investigation or inquiry related thereto, whether by



the Securities and Exchange Commission or other governmental entity or any other law, subpoena, court order or other compulsory legal process or any disclosure requirement of the Securities and Exchange Commission, or (c) from making traditional competitive statements in the course of promoting a competing business, so long as any statements made by Executive described in this clause (c) are not based on confidential information obtained during the course of Executive's employment with the Company. The Company agrees that it will not make any derogatory, negative or disparaging public statements about Executive that are untruthful in any authorized Company statement (whether written or oral), including, but not limited to, any press release or public announcement.

9. Injunctive Relief. Executive and the Company (a) intend that the provisions of Sections 6 and 7 be and become valid and enforceable, (b) acknowledge and agree that the provisions of Sections 6 and 7 are reasonable and necessary to protect the legitimate interests of the business of the Company and its affiliates and (c) agree that any violation of Section 6 or 7 might result in irreparable injury to the Company and its affiliates, the exact amount of which would be difficult to ascertain and the remedies at law for which may not be reasonable or adequate compensation to the Company and its affiliates for such a violation. Accordingly, Executive agrees that if Executive violates or threatens to violate the provisions of Section 6 or 7, in addition to any other remedy which may be available at law or in equity, the Company shall be entitled to seek specific performance and injunctive relief, and without the necessity of proving actual damages. In addition, in the event of a violation or threatened violation by Executive of Section 6 or 7 of this Agreement, the Nonsolicitation Period will be tolled until such violation or threatened violation has been duly cured. If, at the time of enforcement of Sections 6 or 7 of this Agreement, a court holds that the restrictions stated therein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area.

10. Indemnification. The Company shall indemnify Executive to the fullest extent permitted by applicable law as more fully described in the Indemnification Agreement between the Company and the Executive; in the event that California law is deemed to apply and to permit the Company to provide more indemnification to Executive for the matters described in the Indemnification Agreement, the Company agrees to provide such indemnification to the fullest extent permitted under California law.

11. Assignment: Successors and Assigns. Executive agrees that he shall not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, any rights or obligations under this Agreement, nor shall Executive's rights hereunder be subject to encumbrance of the claims of creditors. This Agreement may be assigned by the Company without the consent of Executive to (a) any entity succeeding to all or substantially all of the assets or business of the Company, whether by merger, consolidation, acquisition or otherwise (upon which entity the Agreement shall be binding), or (b) any affiliate; provided, however, that in neither case shall the Company be released from its obligations hereunder, nor shall any assignment to an affiliate lessen the Executive's rights with respect to his position, duties, responsibilities or authority with respect to the Company.

12. Governing Law: Jurisdiction and Venue. This Agreement shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of California without regard to the conflicts of law principles thereof. Suit to enforce this Agreement or any provision or portion thereof may be brought in the federal or state courts located in Los Angeles, California.

13. Severability of Provisions. In the event that any provision of this Agreement should ever be adjudicated by a court of competent jurisdiction to be unenforceable, then such provision shall be deemed reformed to the maximum extent permitted by applicable law, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of any other provision of this Agreement.

14. Warranty. As an inducement to the other party to enter into this Agreement, subject to the termination of Executive's Employment Agreement as set forth in paragraph 17 below, each party represents and warrants to the other that it/he has the power and authority to enter into this Agreement and is not a party to any other agreement or obligation, and that there exists no impediment or restraint, contractual or otherwise, on its/his power, right or ability to enter into this Agreement and to perform its/his duties and obligations hereunder.

15. Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic or digital transmission method upon receipt of telephonic or electronic confirmation; the day after it is sent, if sent for next day delivery to a domestic address by recognized overnight delivery service (e.g., Federal Express); and upon receipt, if sent by certified or registered mail, return receipt requested. In each case notice will be sent to:

(a) If to the Company:

Herbalife International of America, Inc.

1800 Century Park East

Los Angeles, California 90067

Attention: Members of the Compensation Committee of the Board of Directors

Telecopy: (310) 557-3906

with a copy to:

Herbalife International of America, Inc.

1800 Century Park East

Los Angeles, California 90067  
Attention: Chief Executive Officer  
Telecopy: (310) 557-3906

(b) if to Executive, to:

Richard Goudis  
26620 Alsace Drive  
Calabasas, California 91302

with a copy to:

Cathy J. Frankel, Esq.  
Moses & Singer LLP  
1301 Avenue of the Americas  
New York, New York 10019-6076

or to such other place and with other copies as either party may designate as to itself or himself by written notice to the others.

16. Counterparts. This Agreement may be executed in several counterparts, each of which will be deemed to be an original, but all of which together shall constitute one and the same Agreement.

17. Entire Agreement. The terms of this Agreement are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and this Agreement supersedes (and may not be contradicted by, modified or supplemented by) any prior or contemporaneous agreement, written or oral, with respect thereto, including but not limited to the Employment Agreement between the parties dated June 1, 2004 (which Employment Agreement shall be deemed terminated as of the date of this Agreement), but with the exception of the Non-Statutory Stock Option Agreement dated June 14, 2004, Non-Statutory Stock Option Agreement dated September 1, 2004, Stock Option Agreement dated December 1, 2004, Stock Option Agreement dated April 27, 2005, Stock Appreciation Right Award Agreement dated March 23, 2006, Stock Unit Award Agreement dated March 23, 2006, Stock Unit Award Agreement dated October 24, 2006, and the Indemnification Agreement. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

18. Amendments: Waivers. This Agreement may not be modified or amended except by an instrument in writing, signed by Executive and a duly authorized representative of the Company. No waiver of any of the provisions of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be construed as a further, continuing, or subsequent waiver of any such provision or as a waiver of any other provision of this Agreement. No failure to exercise and no delay in exercising any right, remedy or power hereunder shall preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

19. Representation of Counsel: Mutual Negotiation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction and construction of the parties, at arm's-length, with the advice and participation of counsel, and shall be interpreted in accordance with its terms without favor to any party.

20. Surviving Terms. The provisions of Sections 4(a), 4 (b), 5, 6, 7, 8 and 10 shall survive the termination or expiration of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

EXECUTIVE

/s/ Richard P. Goudis

By: Richard P. Goudis

HERBALIFE INTERNATIONAL OF AMERICA, INC.

/s/ Michael O. Johnson  
By: Michael O. Johnson  
Title: Chief Executive Officer

**ATTACHMENT A**

**Agreement and General Release**

Agreement and General Release ("AGREEMENT"), by and among RICHARD GOUDIS ("EXECUTIVE" and referred to herein as "you") and HERBALIFE INTERNATIONAL OF AMERICA, INC., a California corporation (the "COMPANY").

1. In exchange for your waiver of claims against the Company Entities (as defined below) and compliance with other terms and conditions of this Agreement, upon the effectiveness of this Agreement, the Company agrees to provide you with the payments and benefits provided in Section 4 of your Employment Agreement with the Company.

2. (a) In consideration for the payments and benefits to be provided to you pursuant to paragraph 1 above, you, for yourself and for your heirs, executors, administrators, trustees, legal representatives, and assigns (hereinafter referred to collectively as "RELEASORS"), FOREVER RELEASE AND DISCHARGE THE Company and its past, present and future parent entities, subsidiaries, divisions, affiliates and related business entities, successors and assigns, assets, employee benefit plans or funds (including, without limitation, each of Whitney & Co., LLC, Golden Gate Private Equity, Inc., any investment fund managed by either of them and any affiliate of any of the aforementioned persons or entities), and any of its or their respective past, present and/or future directors, officers, fiduciaries, agents, trustees, administrators, employees and assigns, whether acting on behalf of the Company or in their individual capacities (collectively the "COMPANY ENTITIES") from any and all claims, suits, demands, causes of action, covenants, obligations, debts, costs, expenses, fees and liabilities of any kind whatsoever in law or equity, by statute or otherwise, whether known or unknown, vested or contingent, suspected or unsuspected and whether or not concealed or hidden (collectively, the "CLAIMS"), which you ever had, now have, or may have against any of the Company Entities by reason of any act, omission, transaction, practice, plan, policy, procedure, conduct, occurrence, or other matter related in any way to your employment by (including, but not limited to, termination thereof) the Company Entities up to and including the date on which you sign this Agreement, except as provided in subsection (c) below.

(b) Without limiting the generality of the foregoing, this Agreement is intended to and shall release the Company Entities from any and all claims, whether known or unknown, which Releasers ever had, now have, or may have against the Companies Entities arising out of your employment or termination thereof, including, but not limited to: (i) any claim under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Employee Retirement Income Security Act of 1974, (excluding claims for accrued, vested benefits under any employee benefit or pension plan of the Company Entities subject to the terms and conditions of such plan and applicable law), the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act of 1988, or the Fair Labor Standards Act of 1938, in each case as amended; (ii) any claim under the California Fair Employment and Housing Act, the California Labor Code, the California Family Rights Act, or the California pregnancy Disability Leave Law; (iii) any other claim (whether based on federal, state, or local law (statutory or decisional), rule, regulation or ordinance) relating to or arising out of your employment, the terms and conditions of such employment, the termination of such employment, including, but not limited to, breach of contract (express or implied), wrongful discharge, detrimental reliance, defamation, emotional distress or compensatory or punitive damages; and (iv) any claim for attorneys' fees, costs, disbursements and/or the like.

(c) Notwithstanding the foregoing, nothing in this Agreement shall be a waiver of claims: (1) that may arise after the date on which you sign this Agreement; (2) with respect to your right to enforce your rights that survive termination under the Employment Agreement or any other written agreement entered into between you and the Company (including, without limitation, any agreements granting you any stock units, stock appreciation rights, stock options or any other equity grants or equivalents); (3) regarding rights of indemnification, receipt of legal fees and directors and officers liability insurance to which you are entitled under the Employment Agreement, the Company's Certificate of Incorporation or By-laws, pursuant to any separate writing between you and the Company or pursuant to applicable law; (4) relating to any claims for accrued, vested benefits under any employee benefit plan or pension plan of the Company Entities subject to the terms and conditions of such plan and applicable law; or (5) as a stockholder or optionholder of the Company.

(d) In signing this Agreement, you acknowledge that you intend that this Agreement shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. You expressly consent that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown, unsuspected or unanticipated Claims (notwithstanding any state statute that expressly limits the effectiveness of a general release of unknown, unsuspected or unanticipated Claims), if any, as well as those relating to any other claims hereinabove mentioned or implied. You acknowledge and agree that this waiver is an essential and material term of this Agreement, and if you bring your own Claim in which you seek damages against any Company Entity, or if you seek to recover against any Company Entity in any Claim brought by a governmental agency on your behalf, the release set forth in this Agreement shall serve as a complete defense to such Claims, and you shall reimburse each Company Entity for any attorneys' fees or expense or other fees and expense incurred in defending such Claim; provided, however, if a class action claim or governmental claim is brought on your behalf, your obligations will be limited to (i) opting out of such action or other proceedings received in connection therewith to the Company, it being agreed that you shall not be liable to the Company for any attorneys' fees or expense or other fees or expenses in the case of any such class action claim or governmental claim.

(e) Without limiting the generality of the foregoing, you waive all rights under California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

3. (a) This Agreement is not intended, and shall not be construed, as an admission that any of the Company Entities has violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever against you.

(b) Should any provision of this Agreement require interpretation or construction, it is agreed by the parties that the entity interpreting or constructing this Agreement shall not apply a presumption against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document.

4. For two years from and after the date of your employment termination, you agree not to make any derogatory, negative or disparaging public statement about any Company Entity, or to make any public statement (or any statement likely to become public) that could reasonably be

expected to adversely affect or disparage the reputation, or, to the extent applicable, business or goodwill of any Company Entity, it being agreed and understood that nothing herein shall prohibit you (a) from disclosing that you are no longer employed by the Company, (b) from responding truthfully to any governmental investigation or inquiry related thereto, whether by the Securities and Exchange Commission or other governmental entity or any other law, subpoena, court order or other compulsory legal process or any disclosure requirement of the Securities and Exchange Commission, or (c) from making traditional competitive statements in the course of promoting a competing business, so long as any statements made by you described in this clause (c) are not based on confidential information obtained during the course of your employment with the Company. The Company agrees that it will not make any derogatory, negative or disparaging public statement about you in an authorized press release or authorized public announcement.

5. This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

6. This Agreement shall be construed and enforced in accordance with the laws of the State of California applicable to agreements made and to be performed entirely within such State.

7. You acknowledge that your obligations pursuant to Sections 6, 7 and 8 of the Employment Agreement survive the termination of your employment in accordance with the terms thereof. The Company acknowledges that its obligations under Sections 4(a), 4(b), 5, 8 and 10 of the Employment Agreement survive the termination of your employment in accordance with the terms thereof.

8. You acknowledge that you: (a) have carefully read this Agreement in its entirety; (b) have had an opportunity to consider for at least twenty-one (21) days the terms of this Agreement; (c) are hereby advised by the Company in writing to consult with an attorney of your choice in connection with this Agreement; (d) fully understand the significance of all of the terms and conditions of this Agreement and have discussed them with your independent legal counsel, or have had a reasonable opportunity to do so; (e) have had answered to your satisfaction by your independent legal counsel any questions you have asked with regard to the meaning and significance of any of the provisions of this Agreement; and (f) are signing this Agreement voluntarily and of your own free will and agree to abide by all the terms and conditions contained herein.

9. You understand that you will have at least twenty-one (21) days from the date of receipt of this Agreement to consider the terms and conditions of this Agreement. You may accept this Agreement by signing it and returning it to the Company's Chief Executive Officer at the address specified pursuant to Section 15 of the Employment Agreement. After executing this Agreement, you shall have seven (7) days (the "REVOCATION PERIOD") to revoke this Agreement by indicating your desire to do so in writing delivered to the Chief Executive Officer at the address above by no later than 5:00 p.m. on the seventh (7th) day after the date you sign this Agreement. The effective date of this Agreement shall be the eighth (8th) day after you sign the Agreement (the "AGREEMENT EFFECTIVE DATE"). If the last day of the Revocation Period falls on a Saturday, Sunday or holiday, the last day of the Revocation Period will be deemed to be the next business day. In the event you do not accept this Agreement as set forth above, or in the event you revoke this Agreement during the Revocation Period, this Agreement, including but not limited to the obligation of the Company to provide the payments and benefits provided in paragraph 1 above, shall be deemed automatically null and void.

EXECUTIVE

By:

Richard P. Goudis

HERBALIFE INTERNATIONAL OF AMERICA, INC.

By:

Name:

Title:

**HERBALIFE LTD.**

**2005 STOCK INCENTIVE PLAN**

**STOCK UNIT AWARD AGREEMENT**

This Stock Unit Award Agreement (this "Agreement") is dated as of this 24<sup>th</sup> day of October, 2006 (the "Grant Date"), and is between Herbalife Ltd. (the "Company") and Richard P. Goudis ("Participant").

WHEREAS, the Company, by action of the Board and approval of its shareholders established the Herbalife Ltd. 2005 Stock Incentive Plan (the "Plan");

WHEREAS, Participant is employed by the Company or one or more of its Subsidiaries and the Company desires to encourage Participant to own Common Shares for the purposes stated in Section 1 of the Plan;

WHEREAS, Participant and the Company have entered into this Agreement to govern the terms of the Stock Unit Award (as defined below) granted to Participant by the Company.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

1. Grant.

(a) The Company hereby grants to Participant an Award of 15,000 Stock Units (the "Award") in accordance with Section 9 of the Plan and subject to the conditions set forth in this Agreement and the Plan (as amended from time to time). Each Stock Unit represents the right to receive one Common Share (as adjusted from time to time pursuant to Section 12 of the Plan) subject to the fulfillment of the vesting and other conditions set forth in this Agreement. By accepting the Award, Participant irrevocably agrees on behalf of Participant and Participant's successors and permitted assigns to all of the terms and conditions of the Award as set forth in or pursuant to this Agreement and the Plan (as such Plan may be amended from time to time).

(b) Except as otherwise defined herein, capitalized terms used herein shall have the meanings set forth in the Plan.

2. Vesting.

(a) Participant's Stock Units and rights in and to the Common Shares subject to the Stock Units shall be vested as of the Grant Date with respect to one-third of the Stock Units subject to the Award. The remaining two-thirds of Participant's Stock Units and rights in and to the Common Shares subject thereto shall not be vested as of the Grant Date and shall be forfeitable unless and until otherwise vested pursuant to the terms of this Agreement. Subject to Participant's continued employment with the Company and/or its subsidiaries or affiliates the Award (or as otherwise provided in Paragraph 5) shall become vested in accordance with the following schedule: (i) one-third of the Stock Units subject to the Award shall vest on June 30, 2007, and (ii) the final one-third of the Stock Units subject to the Award shall vest on June 30, 2008 (each such date a "Vesting Date"). Stock Units that have vested and are no longer subject to forfeiture are referred to herein as "Vested Units." Stock Units that are not vested and remain subject to forfeiture are referred to herein as "Unvested Units."

(b) Notwithstanding anything herein or in the Plan to the contrary, upon the occurrence of a Change of Control, the vesting of the Award shall be accelerated such that 50% of the then Unvested Units shall become Vested Units as of immediately prior to the consummation of the Change of Control; and

(c) Notwithstanding anything herein or in the Plan to the contrary:

(i) in the event that, (x) within the 90-day period immediately preceding a Change in Control or (y) at any time following a Change of Control, Participant's employment with the Company and its Subsidiaries (or their respective successors) is terminated for any reason other than by reason of Participant's resignation without Good Reason or a termination for Cause, all Unvested Units shall vest as of the date of such termination of employment;

(ii) except as set forth in Paragraph 2(c)(i), in the event that (A) Participant's employment with the Company and its Subsidiaries (or their respective successors) is terminated for any reason other than by reason of Participant's resignation for any reason or a termination by the Company for Cause and (B) at the time of such termination of employment, Michael O. Johnson is no longer serving as the Chief Executive Officer of the Company, the vesting of the Award shall be accelerated such that 50% of the then Unvested Units shall become Vested Units as of immediately prior to such termination of employment; and

(iii) in the event that Participant's employment with the Company is terminated by reason of Participant's death or disability (as such term is defined in Section 22(e) of the Code), all Unvested Units shall vest as of the date of such termination of employment.

(d) In addition to the foregoing, subject to Paragraph 7 below, in the event of a Change of Control, the Committee as constituted immediately before such Change of Control may, in its sole discretion, accelerate the vesting and exercisability of this Award upon such Change of Control or take such other actions as provided in Section 13 of the Plan.

(e) For purposes of this Agreement, the term "Cause" shall have the meaning ascribed to such term in any written employment agreement between Participant and the Company or one or more of its Subsidiaries, as the same may be amended or modified from time to time.

(f) For purposes of this Agreement, the term "Good Reason" shall have the meaning ascribed to such term in any written employment

agreement between Participant and the Company or one or more of its Subsidiaries, as the same may be amended or modified from time to time.

### 3. Settlement of Stock Units.

(a) Subject to any deferral pursuant to Paragraph 3(b), each Vested Unit will be settled by the delivery of one Common Share (subject to adjustment under Section 12 of the Plan) to Participant or, in the event of Participant's death, to Participant's estate, heir or beneficiary, following the applicable Vesting Date (which, for the avoidance of doubt, is the Grant Date for those Stock Units that are vested as of the Grant Date); provided that the Participant has satisfied all of the tax withholding obligations described in Paragraph 8, and that Participant has completed, signed and returned any documents and taken any additional action that the Company deems appropriate to enable it to accomplish the delivery of the Common Shares.

(b) Subject to the satisfaction all of the tax withholding obligations described in Paragraph 8, Participant may elect to defer the receipt of any Common Shares issuable pursuant to Vested Units by submitting to the Company an election to defer receipt in the forms attached hereto as Exhibit A. In the event Participant intends to defer the receipt of any Common Shares, Participant must submit to the Company a deferral election form within thirty (30) days following the Grant Date. Participant hereby represents that Participant understands the effect of any such deferral under relevant federal, state and local tax laws. Notwithstanding anything herein to the contrary, the settlement of that portion of the Award that vests on or before June 30, 2007 may not be deferred.

(c) The date upon which Common Shares are to be issued under either Paragraph 3(a) or 3(b) above is referred to as the "Settlement Date." The issuance of the Common Shares hereunder may be effected by the issuance of a stock certificate, recording shares on the stock records of the Company or by crediting shares in an account established on Participant's behalf with a brokerage firm or other custodian, in each case as determined by the Company. Fractional shares will not be issued pursuant to the Award.

(d) Notwithstanding the above, (i) for administrative or other reasons, the Company may from time to time temporarily suspend the issuance of Common Shares in respect of Vested Units, (ii) the Company shall not be obligated to deliver any shares of the Common Stock during any period when the Company determines that the delivery of shares hereunder would violate any federal, state or other applicable laws, (iii) the Company may issue Common Shares hereunder subject to any restrictive legends that, as determined by the Company's counsel, are necessary to comply with securities or other regulatory requirements and (iv) the date on which shares are issued hereunder may include a delay in order to provide the Company such time as it determines appropriate to address tax withholding and other administrative matters.

4. Shareholder Rights. Prior to any issuance of Common Shares in settlement of the Award, no Common Shares will be reserved or earmarked for Participant or Participant's account nor shall Participant have any of the rights of a stockholder with respect to such Common Shares. Except as set forth in Paragraph 5, the Participant will not be entitled to any privileges of ownership of the Common Shares (including, without limitation, any voting rights) underlying Vested Units and/or Unvested Units unless and until Common Shares are actually delivered to Participant hereunder.

5. Dividend Equivalent Rights. From and after the Grant Date and unless and until the Award is forfeited or otherwise transferred back to the Company, Participant will be credited with additional Stock Units having a value equal to dividends declared by the Company, if any, with record dates that occur prior to the settlement of the Award as if the Common Shares underlying the Award had been issued and outstanding, based on the Fair Market Value of a Common Share on the applicable dividend payment date. Any such additional Stock Units shall be considered part of the Award and shall also be credited with additional Stock Units as dividends, if any, are declared, and shall be subject to the same restrictions and conditions as the Stock Units subject to the Award with respect to which they were credited (including, but not limited to, the forfeiture provisions set forth in Paragraph 6). Notwithstanding the foregoing, no such additional Stock Units will be credited with respect to any dividend declared by the Company in connection with which the Award is adjusted pursuant to Section 12 of the Plan.

6. Effect of Termination of Employment. Except as provided in this Paragraph 6 or the Plan, upon a termination of Participant's employment with the Company for any reason, the Unvested Units shall be forfeited by Participant and cancelled and surrendered to the Company without payment of any consideration to Participant. Notwithstanding anything herein to the contrary, upon and following a termination of Participant's employment with the Company by reason of Participant's Retirement (as defined below), the Award shall continue to vest in accordance with the terms of Paragraph 2 and be settled in accordance with Paragraph 3, in each case, as if Participant remained employed by the Company for a period of three years following such Retirement, at which time any then Unvested Units shall be forfeited by Participant and cancelled and surrendered to the Company without payment of any consideration to Participant. For purposes of this Agreement, the term "Retirement" shall mean termination of Participant's employment with the Company and its Subsidiaries if the sum of Participant's age and years of continuous service with the Company and its Subsidiaries is then equal to at least 75.

### 7. Adjustments of Common Shares and Awards.

(a) Subject to Section 12(a) of the Plan, in the event of any change in the outstanding Common Shares by reason of an acquisition, spin-off or reclassification, recapitalization or merger, combination or exchange of Common Shares or other corporate exchange, Change of Control or similar event, the Committee shall adjust appropriately the number or kind of shares or securities subject to the Award and make such other revisions to the Award as it deems are equitably required.

(b) Notwithstanding anything in the Plan to the contrary, with respect to any merger or consolidation of the Company into another corporation, the sale or exchange of all or substantially all of the assets of the Company, a Change of Control or the recapitalization, reclassification, liquidation or dissolution of the Company or any other similar fundamental transaction involving the Company or any of its Subsidiaries (any of the foregoing, a "Qualifying Event"), the Committee shall provide either: (i) that the Award will terminate upon such Qualifying Event, provided that the Award shall be immediately and fully vested immediately prior to the consummation of any such

Qualifying Event, and provided further that upon the occurrence of such Qualifying Event, the Award will terminate and be of no further force or effect and no longer be outstanding; (ii) that the Award will remain outstanding after such Qualifying Event, and from and after the consummation of such Qualifying Event, the Award will be cover the kind and amount of securities and/or other property receivable as a result of such Qualifying Event by the holder of a number of Common Shares subject to the Award immediately prior to such Qualifying Event; or (iii) the Award will be cancelled in its entirety and repurchased by the Company at a specific price equal to the Fair Market Value of the Common Shares underlying the Award and that, upon the occurrence of such Qualifying Event, the Award will terminate and be of no further force or effect and no longer be outstanding. In the event of any conflict or inconsistency between the terms and conditions of this Paragraph 7(b) and the terms and conditions of Sections 12(b) and/or 13 of the Plan, the terms and condition of this Paragraph 7(b) shall control. The Committee's election pursuant to this Paragraph 7(b) will be applied in the same manner to all other holders of the Company's awards whose award agreements contain a similar provision. The Committee may only elect the alternatives specified in clauses (i) or (iii) of the first sentence of this Paragraph 7(b) in connection with any Qualifying Event described in clauses (iii)(A) or (iii)(C) of the definition of "Change of Control" (as such term is defined in the Plan).

#### 8. Withholding Taxes.

(a) Participant is liable and responsible for all taxes owed in connection with the Award, regardless of any action the Company takes with respect to any tax withholding obligations that arise in connection with the Award. The Company does not make any representation or undertaking regarding the treatment of any tax withholding in connection with the grant, vesting or settlement of the Award or the subsequent sale of Common Shares issuable pursuant to the Award. The Company does not commit and is under no obligation to structure the Award to reduce or eliminate Participant's tax liability.

(b) Prior to any event in connection with the Award (e.g., grant, vesting or payment in respect of the Award) that the Company determines may result in any domestic or foreign tax withholding obligation, whether national, federal, state or local, including any social tax obligation (the "Tax Withholding Obligation"), Participant is required to arrange for the satisfaction of the amount of such Tax Withholding Obligation in a manner acceptable to the Company.

(c) Unless the Committee provides otherwise, at any time not less than five (5) business days before any Tax Withholding Obligation arises (e.g., a Settlement Date), Participant shall notify the Company of Participant's election to pay Participant's Tax Withholding Obligation by wire transfer, cashier's check or other means permitted by the Company. In such case, Participant shall satisfy his or her tax withholding obligation by paying to the Company on such date as it shall specify an amount that the Company determines is sufficient to satisfy the expected Tax Withholding Obligation by (i) wire transfer to such account as the Company may direct, (ii) delivery of a cashier's check payable to the Company, Attn: General Counsel, at the Company's principal executive offices, or such other address as the Company may from time to time direct, or (iii) such other means as the Company may establish or permit (including by means of a "same day sale" program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company and applicable law). Participant agrees and acknowledges that prior to the date the Tax Withholding Obligation arises, the Company will be required to estimate the amount of the Tax Withholding Obligation and accordingly may require the amount paid to the Company under this Paragraph 8(c) to be more than the minimum amount that may actually be due and that, if Participant has not delivered payment of a sufficient amount to the Company to satisfy the Tax Withholding Obligation (regardless of whether as a result of the Company underestimating the required payment or Participant failing to timely make the required payment), the additional Tax Withholding Obligation amounts shall be satisfied such other means as the Committee deems appropriate.

9. Securities Law Compliance. Participant understands that the Company is under no obligation to register for resale the Common Shares issued upon exercise of the Award. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by Participant or other subsequent transfers by Participant of any Common Shares issued as a result of or under this Award, including without limitation (i) restrictions under an insider trading policy, (ii) restrictions that may be necessary in the absence of an effective registration statement under the Securities Act of 1933, as amended, covering the Award and/or the Common Shares underlying the Award and (iii) restrictions as to the use of a specified brokerage firm or other agent for such resales or other transfers. Any sale of the Common Shares must also comply with other applicable laws and regulations governing the sale of such shares.

10. Assignment or Transfer Prohibited. The Award (whether or not vested) may not be assigned or transferred otherwise than by will or by the laws of descent and distribution; provided, however, Participant may assign or transfer the Award to the extent permitted under the Plan, provided that the Award shall be subject to all the terms and condition of the Plan, this Agreement and any other terms required by the Committee as a condition to such transfer. Neither the Award nor any right hereunder shall be subject to attachment, execution or other similar process. In the event of any attempt by Participant to alienate, assign, pledge, hypothecate or otherwise dispose of the Award or any right hereunder, except as provided for herein, or in the event of the levy or any attachment, execution or similar process upon the rights or interests hereby conferred, the Company may terminate the Award by notice to Participant, and the Award shall thereupon become null and void.

11. Committee Authority. Any question concerning the interpretation of this Agreement or the Plan, any adjustments required to be made under this Agreement or the Plan, and any controversy that may arise under this Agreement or the Plan shall be determined by the Committee in its sole and absolute discretion. All decisions by the Committee shall be final and binding.

12. Application of the Plan. The terms of this Agreement are governed by the terms of the Plan, as it exists on the date of hereof and as the Plan is amended from time to time. In the event of any conflict between the provisions of this Agreement and the provisions of the Plan, the terms of the Plan shall control, except as expressly stated otherwise herein. As used herein, the term "Section" generally refers to provisions within the Plan, and the term "Paragraph" refers to provisions of this Agreement.

13. No Right to Continued Employment. Nothing in the Plan, in this Agreement or any other instrument executed pursuant thereto or hereto shall confer upon Participant any right to continued employment with the Company or any of its Subsidiaries or affiliates.

14. Further Assurances. Each party hereto shall cooperate with each other party, shall do and perform or cause to be done and performed all further acts and things, and shall execute and deliver all other agreements, certificates, instruments, and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan.

15. Entire Agreement. This Agreement and the Plan together set forth the entire agreement and understanding between the parties as to the subject matter hereof and supersede all prior oral and written and all contemporaneous or subsequent oral discussions, agreements and understandings of any kind or nature.

16. Successors and Assigns. The provisions of this Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and Participant and Participant's legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

/s/ Richard P. Goudis  
Richard P. Goudis

HERBALIFE LTD.  
By: /s/ Michael O. Johnson  
Name: Michael O. Johnson  
Title: Chief Executive Officer

Herbalife\_\_Goudis Restricted Stock Unit Agreement (June 30 Vesting — Execution Version) (3).DOC

**HERBALIFE LTD.**  
**2005 STOCK INCENTIVE PLAN**  
**STOCK UNIT AWARD AGREEMENT**  
**DEFERRAL ELECTION FORM**

Effective as of \_\_\_, the undersigned hereby irrevocably elects (the "Election") to defer receipt of certain common shares (the "Common Shares") of Herbalife Ltd. (the "Company") related to the Stock Units (the "Award") awarded under and pursuant to the Stock Unit Award Agreement dated October 24, 2006 (the "Award Agreement") and the Herbalife Ltd. 2005 Stock Incentive Plan, as amended from time to time (the "Plan"). This deferral shall be made in accordance with the terms and provisions outlined in this Election in the manner and amount set forth below.

In making this election, the following rules apply:

- You may elect to defer the settlement of all or a portion of your Award. Your deferral must be expressed as a percentage of the Stock Units subject to the Award, and will apply with respect to that percentage of the Stock Units that vest on each Vesting Date (other than any Vesting Date that occurs prior to the date that is 12 months following the date on which this Election is received by the Company).
- If you elect to defer the settlement of all or a portion of your Award, you will receive the Common Shares subject to your Vested Units (as such term is defined in the Award Agreement) upon the first to occur of (a) a date specified in this Election or (b) a termination of your employment with the Company for any reason.

**Manner of Transfer**

In general, all deferrals pursuant to this election will be paid out in Common Shares. Subject to the terms and conditions of the Award Agreement and the Plan and additional delays described in Paragraph 4 below under Terms and Conditions, all of the Common Shares you are entitled to receive on the Settlement Date specified in this Election will be transferred to you on the applicable Settlement Date.

**Amount of the Deferral**

I hereby irrevocably elect to defer settlement of \_\_\_% of that portion of the Stock Units subject to the Award that are scheduled to vest on June 30, 2008.

**Duration of the Deferral**

Settlement of that portion of the Award specified above shall be deferred until [by checking the appropriate box below and, if applicable, filling in the distribution date]:

\_\_\_, 20\_\_\_ [Note: this date must be after June 30, 2008], but in no event later than a termination of my employment with the Company; or termination of my employment with the Company.

**Change in Control**



I hereby acknowledge that unless I elect hereunder **not** to receive payment in respect of that portion of the Award deferred hereunder upon a Section 409A Change in Control Event (as defined herein), I will automatically receive payment in respect of that portion of the Award deferred hereunder upon the consummation of either (i) a “change in the ownership” of the Company, (ii) a “change in the effective control” of the Company or (iii) a “change in the ownership of a substantial portion of the assets” of the Company (each as defined under Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and collectively referred to herein as a “Section 409A Change in Control Event”).

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[You must indicate your election **not** to receive payment upon a Section 409A Change in Control Event by checking the box and initialing to the left]

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### **Terms and Conditions**

By signing this form, you acknowledge your understanding and acceptance of the following:

- 1. Submission of Election to the Company.** You understand that the Election must be submitted to the Company within 30 days following the date the Award was granted.
- 2. Tax Withholding Obligation.** No Common Shares will be issued to you unless on the Settlement Date unless the Tax Withholding Obligation set forth in Paragraph 9 of the Agreement is satisfied.
- 3. Cash Dividends.** You will be credited with additional Stock Units (the settlement of which shall be deferred hereunder) having a value equal to any cash dividends declared by the Company with record dates that occur prior to the settlement of the Award as if the Common Shares underlying that portion of the Award that is deferred hereunder had been issued and outstanding, based on the fair market value of a Common Share on the applicable dividend payment date. Any such additional Stock Units shall be considered part of the Award and shall also be credited with additional Stock Units as dividends, if any, are declared, and shall be subject to all of the terms and conditions set forth herein.
- 4. Automatic Delay for Specified Employees.** If the Company determines that as of the Settlement Date you are a “specified employee” (as such term is defined under Section 409A of the Code, any Common Shares to be issued to you on a Settlement Date that occurs by reason of your termination of employment with the Company other by reason of your death or “disability (as such term is defined under Section 409A of the Code) will not be issued to you until the date that is six months following the Settlement Date (or such earlier time permitted under Section 409A of the Code without the imposition of any accelerated or additional taxes under Section 409A of the Code).
- 5. ERISA Status.** This Election comprises a portion of a plan is intended to be an unfunded plan that is maintained primarily to provide deferred compensation to a select group of “management or highly compensated employees” within the meaning of Sections 201, 301, and 401 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and therefore to be exempt from the provisions of Parts 2, 3, and 4 of Title I of ERISA.
- 6. Administration.** This Election is administered and interpreted by the Committee (as such term is defined in the Plan). The Committee has full and exclusive discretion to interpret and administer this Election. All actions, interpretations and decisions of the Committee are conclusive and binding on all persons, and will be given the maximum possible deference allowed by law.
- 7. Claims Procedure.** Any person who believes he or she is entitled to any payment under this Election may submit a claim in writing to the Company. If the claim is denied (either in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Agreement or the Plan on which the denial is based. The notice will describe any additional information needed to support the claim. The denial notice will be provided within ninety (90) days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial ninety-day period.
- 8. Appeals Procedure.** If a claimant’s claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Company for a review of the decision denying the claim. The claimant (or representative) then has the right to review pertinent documents and to submit issues and comments in writing. The Company will provide written notice of its decision on review within sixty (60) days after it receives a review request. If additional time (up to sixty (60) days) is needed to review the request, the claimant will be given written notice of the reason for the delay. Any claims for benefits under this Election brought in a court of law must be filed in such court before the earlier of ninety (90) days after any appeal pursuant to this Paragraph 8 or one (1) year from the date the claim arose.

Accepted by:

HERBALIFE LTD.

By:

Name: Michael O. Johnson

Title: Chief Executive Officer

Submitted by:  
Richard P. Goudis

**HERBALIFE LTD.  
STOCK INCENTIVE PLAN**

AMENDMENT TO THE STOCK OPTION AGREEMENT

This Amendment to the Stock Option Agreement (the "Amendment") is made as of October 24, 2006, by and between Herbalife Ltd. (the "Company"), and Richard P. Goudis (the "Executive"), and will be effective.

WHEREAS, the Company and the Executive are parties to that certain Stock Option Agreement dated June 14, 2004 (the "Agreement");

WHEREAS, Section 10 of the Herbalife Ltd. Stock Incentive Plan (the "Plan") provides that the Board of Directors of the Company (the "Board") may amend the Plan and/or the terms of any award agreement entered into under the Plan at any time and from time to time;

WHEREAS, the Board wishes to amend the terms of the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the Company and the Executive agree that the Agreement is hereby amended effective as of October 24, 2006 as follows:

1. Section 2(b) of the Agreement is hereby renumbered Section 2(d) and the following new Sections 2(b) and (c) are hereby added to the Agreement:

"(b) Notwithstanding the preceding or any other provision in this Agreement or the Plan to the contrary, (i) simultaneously with the consummation of any Change of Control, 50% of the then unvested portion of the Option (pro rata according to the number of Shares exercisable at the relevant strike prices specified above for the individual tranches of Shares otherwise vesting on each anniversary of the Grant Date) will become immediately vested and exercisable, (ii) if, following the consummation of any Change of Control, all or any portion of the Option described in this Agreement remains outstanding and the Employee's employment with the Company and its Subsidiaries (or their respective successors-in-interest) is terminated (other than by reason of the Employee's resignation or termination for Cause) at any time following the consummation of such Change of Control, 100% of the Shares granted pursuant to the Option will immediately vest and become exercisable, and (iii) in the event the Employee's employment with the Company and its Subsidiaries is terminated by reason of the Employee's death or Disability or during the 90 day period immediately preceding the consummation of any Change of Control (other than by reason of Employee's resignation or termination for Cause), 100% of the Shares granted pursuant to the Option will immediately vest and become exercisable. For purposes hereof, the term "Cause" shall have the meaning ascribed thereto in the Employment Agreement.

(c) Notwithstanding anything in this Agreement or the Plan to the contrary, except as set forth in Section 2(b)(ii), in the event that the Employee's employment with the Company and its Subsidiaries is terminated by the Company without Cause, and at the time of such termination of employment, Michael O. Johnson is no longer serving as Chief Executive Officer of the Company, the vesting of the Option shall be accelerated such that 50% of the then unvested portion of the Option shall become vested and exercisable as of immediately prior to such termination of employment."

2. Except as modified hereby, the Agreement, shall remain in full force and effect and unmodified.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

/s/ Richard P. Goudis  
Richard P. Goudis

HERBALIFE LTD.  
By: /s/ Michael O. Johnson  
Name: Michael O. Johnson  
Title: Chief Executive Officer

**HERBALIFE LTD.  
STOCK INCENTIVE PLAN**

AMENDMENT TO THE STOCK OPTION AGREEMENT

This Amendment to the Stock Option Agreement (the "Amendment") is made as of October 24, 2006, by and between Herbalife Ltd. (the "Company"), and Richard P. Goudis (the "Executive"), and will be effective.

WHEREAS, the Company and the Executive are parties to that certain Stock Option Agreement dated September 1, 2004 (the "Agreement");

WHEREAS, Section 10 of the Herbalife Ltd. Stock Incentive Plan (the "Plan") provides that the Board of Directors of the Company (the "Board") may amend the Plan and/or the terms of any award agreement entered into under the Plan at any time and from time to time;

WHEREAS, the Board wishes to amend the terms of the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the Company and the Executive agree that the Agreement is hereby amended effective as of October 24, 2006 as follows:

1. Section 2(b) of the Agreement is hereby renumbered Section 2(d) and the following new Sections 2(b) and (c) are hereby added to the Agreement:

"(b) Notwithstanding the preceding or any other provision in this Agreement or the Plan to the contrary, (i) simultaneously with the consummation of any Change of Control, 50% of the then unvested portion of the Option (pro rata according to the number of Shares exercisable at the relevant strike prices specified above for the individual tranches of Shares otherwise vesting on each anniversary of the Grant Date) will become immediately vested and exercisable, (ii) if, following the consummation of any Change of Control, all or any portion of the Option described in this Agreement remains outstanding and the Employee's employment with the Company and its Subsidiaries (or their respective successors-in-interest) is terminated (other than by reason of the Employee's resignation or termination for Cause) at any time following the consummation of such Change of Control, 100% of the Shares granted pursuant to the Option will immediately vest and become exercisable, and (iii) in the event the Employee's employment with the Company and its Subsidiaries is terminated by reason of the Employee's death or Disability or during the 90 day period immediately preceding the consummation of any Change of Control (other than by reason of Employee's resignation or termination for Cause), 100% of the Shares granted pursuant to the Option will immediately vest and become exercisable. For purposes hereof, the term "Cause" shall have the meaning ascribed thereto in the Employment Agreement.

(c) Notwithstanding anything in this Agreement or the Plan to the contrary, except as set forth in Section 2(b)(ii), in the event that the Employee's employment with the Company and its Subsidiaries is terminated by the Company without Cause, and at the time of such termination of employment, Michael O. Johnson is no longer serving as Chief Executive Officer of the Company, the vesting of the Option shall be accelerated such that 50% of the then unvested portion of the Option shall become vested and exercisable as of immediately prior to such termination of employment."

2. Except as modified hereby, the Agreement, shall remain in full force and effect and unmodified.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

/s/ Richard P. Goudis  
Richard P. Goudis

HERBALIFE LTD.  
By: /s/ Michael O. Johnson  
Name: Michael O. Johnson  
Title: Chief Executive Officer

**HERBALIFE LTD.  
2004 STOCK INCENTIVE PLAN**

AMENDMENT TO THE STOCK OPTION AGREEMENT

This Amendment to the Stock Option Agreement (the "Amendment") is made as of October 24, 2006, by and between Herbalife Ltd. (the "Company"), and Richard P. Goudis (the "Executive"), and will be effective.

WHEREAS, the Company and the Executive are parties to that certain Stock Option Agreement dated December 1, 2004 (the "Agreement");

WHEREAS, Section 17 of the Herbalife Ltd. 2004 Stock Incentive Plan (the "Plan") provides that the Board of Directors of the Company (the "Board") may amend the Plan and/or the terms of any award agreement entered into under the Plan at any time and from time to time;

WHEREAS, the Board wishes to amend the terms of the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the Company and the Executive agree that the Agreement is hereby amended effective as of October 24, 2006 as follows:

1. Paragraph 2(b) of the Agreement is hereby renumbered Paragraph 2(e) and the following new Paragraphs 2(b), (c) and (d) are hereby added to the Agreement:

"(b) Notwithstanding anything herein or in the Plan to the contrary, upon the occurrence of a Change of Control, the vesting of the Option shall be accelerated such that 50% of the then unvested portion of the Option shall become vested and exercisable as of the date of the Change in Control.

(c) Notwithstanding anything herein or in the Plan to the contrary:

(i) in the event that, (x) within the 90-day period immediately preceding a Change in Control or (y) at any time following a Change of Control, the Optionee's employment with the Company and its Subsidiaries (or their respective successors) is terminated for any reason other than by reason of the Optionee's resignation or a termination for Cause (as defined below), the Option shall become immediately and fully vested and exercisable; and

(ii) in the event of the Optionee's death or disability (as such term is defined in Section 22(e) of the Code), the Option shall become immediately and fully vested and exercisable.

(d) Notwithstanding anything in this Agreement or the Plan to the contrary, except as set forth in Paragraph 2(c)(i), in the event that the Optionee's employment with the Company and its Subsidiaries is terminated by the Company without Cause, and at the time of such termination of employment, Michael O. Johnson is no longer serving as Chief Executive Officer of the Company, the vesting of the Option shall be accelerated such that 50% of the then unvested portion of the Option shall become vested and exercisable as of immediately prior to such termination of employment."

2. Except as modified hereby, the Agreement, shall remain in full force and effect and unmodified.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

/s/ Richard P. Goudis  
Richard P. Goudis

HERBALIFE LTD.  
By: /s/ Michael O. Johnson  
Name: Michael O. Johnson  
Title: Chief Executive Officer

**HERBALIFE LTD.  
2004 STOCK INCENTIVE PLAN**

AMENDMENT TO THE STOCK OPTION AGREEMENT

This Amendment to the Stock Option Agreement (the "Amendment") is made as of October 24, 2006, by and between Herbalife Ltd. (the "Company"), and Richard P. Goudis (the "Executive"), and will be effective.

WHEREAS, the Company and the Executive are parties to that certain Stock Option Agreement dated April 27, 2005 (the "Agreement");

WHEREAS, Section 17 of the Herbalife Ltd. 2004 Stock Incentive Plan (the "Plan") provides that the Board of Directors of the Company (the "Board") may amend the Plan and/or the terms of any award agreement entered into under the Plan at any time and from time to time;

WHEREAS, the Board wishes to amend the terms of the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the Company and the Executive agree that the Agreement is hereby amended effective as of October 24, 2006 as follows:

1. Paragraph 2(b) of the Agreement is hereby renumbered Paragraph 2(e) and the following new Paragraphs 2(b), (c) and (d) are hereby added to the Agreement:

"(b) Notwithstanding anything herein or in the Plan to the contrary, upon the occurrence of a Change of Control, the vesting of the Option shall be accelerated such that 50% of the then unvested portion of the Option shall become vested and exercisable as of the date of the Change in Control.

(c) Notwithstanding anything herein or in the Plan to the contrary:

(i) in the event that, (x) within the 90-day period immediately preceding a Change in Control or (y) at any time following a Change of Control, the Optionee's employment with the Company and its Subsidiaries (or their respective successors) is terminated for any reason other than by reason of the Optionee's resignation or a termination for Cause (as defined below), the Option shall become immediately and fully vested and exercisable; and

(ii) in the event of the Optionee's death or disability (as such term is defined in Section 22(e) of the Code), the Option shall become immediately and fully vested and exercisable.

(d) Notwithstanding anything in this Agreement or the Plan to the contrary, except as set forth in Paragraph 2(c)(i), in the event that the Optionee's employment with the Company and its Subsidiaries is terminated by the Company without Cause, and at the time of such termination of employment, Michael O. Johnson is no longer serving as Chief Executive Officer of the Company, the vesting of the Option shall be accelerated such that 50% of the then unvested portion of the Option shall become vested and exercisable as of immediately prior to such termination of employment."

2. Except as modified hereby, the Agreement, shall remain in full force and effect and unmodified.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

/s/ Richard P. Goudis  
Richard P. Goudis

HERBALIFE LTD.  
By: /s/ Michael O. Johnson  
Name: Michael O. Johnson  
Title: Chief Executive Officer