

REED'S, INC.
Form PRE 14A
October 26, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant To Section 14(a) of the Securities Exchange Act of 1934

Filed by the registrant [X]

Filed by a party other than the registrant []

Check the appropriate box:

- [X] Preliminary Proxy Statement [] Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))
- [] Definitive Proxy Statement
- [] Definitive additional materials
- [] Soliciting material Pursuant to Rule 14a-11(c) or Rule 14a-12

REED'S, INC.

(Name of Registrant as Specified in Its Charter)

Payment of filing fee (check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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Message from the Founder, Chairman and Chief Executive Officer

To Our Stockholders:

You are cordially invited to attend the 2016 Annual Meeting of Stockholders of Reed's (the "Company"), which will be held [] on [], 2016. The formal Notice of Annual Meeting of Stockholders and Proxy Statement, which are contained in the following pages, outline the actions that will, or may, if properly presented, be taken by the stockholders at the meeting. Enclosed you should have received a **WHITE** proxy card or **WHITE** voting instruction form and postage-paid return envelope, which are being solicited on behalf of our board of directors (the "board").

I'm thrilled to announce our new team of Board of Directors. Your independent board will be a tremendous resource for our company. This new board will include myself and 4 independent board members with significant and specific areas of expertise.

John Bello will be Reed's Chairman of the Board – our first independent Chairman - and our marketing and sales expert. Mr. Bello is the creator, founder and former CEO of Sobe Beverages, which sold to PepsiCo in 2001 for \$370 million.

Lewis Jaffe will be our new Board's governance expert. Mr. Jaffe is Entrepreneur-in-Residence at the Fred Kiesner Center for Entrepreneurship, Loyola Marymount University, Los Angeles. He has extensive public and private board governance experience and a Masters Professional Director Certification from the American College of Corporate Directors.

Charles Cargile will be our finance expert. Mr. Cargile has over 20 years experience in financial leadership in three different public companies, including 15 years as Chief Financial Officer. Mr. Cargile is recognized as a financial expert by the Security and Exchange Commission and has served on public company boards and audit committees.

Stefan Freeman will be our Operations and Supply Chain expert. Mr. Freeman resides in Los Angeles and has over 25 years experience in sales operations, manufacturing, and supply chain operations. Mr. Freeman has been Director of Sales Operations for Dr. Pepper Snapple Group, Supply Chain Manager and Plant Manager for Pepsi-Cola Bottling Group, Regional Vice President of Manufacturing for Coca-Cola Refreshments and Vice President of Fleet Operations for Coca-Cola Refreshments.

Reed's, continues to lead the Natural and Craft Soda renaissance nationally. Our core brands, Reed's Ginger Brews and Virgil's Sodas are back on track and growing again in the marketplace after 2015 supply chain issues. Reed's Ginger Brews grew 14% and Virgil's soda grew 13% during the third quarter of 2016. Our new Reed's Stronger Ginger Brew continues to grow with 3rd quarter of 2016 sales up 293% year over year and our Butterscotch Beer sales were also up 170% year over year.

We continue to add new retailers. Recent additions include Target, CVS and Stater Bros. We have added significant new distribution in the last year including the Southern California and San Diego marketplaces, Indiana, select New England markets and Nevada regions for direct store distribution ("DSD"). International Sales increased 250% year over year with new distributors in England and the Middle East.

Reed's Culture Club Kombucha line experienced significant out of stock instances in 2015 due to supply chain issues. In addition, this promising brand is also under heavy pressure from a large influx of new Kombucha brands. That being said, we are very enthusiastic about our upcoming opportunities for our Kombucha beverages. We are preparing to relaunch and aggressively market our Kombucha brand after a revamp of the product line with positive new innovations from our research and development team. We still make the best tasting Kombucha brand in the marketplace and with these new changes to our Kombucha products, we will become even more appealing to consumers.

We have been exhibiting at trade shows nationwide and have hosted booths at the Natural Products shows, the National Restaurant show, the National Convenient Store show and the National Specialty Food shows this year. In addition, we continue to participate with many of our large grocery partners' consumer marketing programs including in-store advertising and circulars, and participation in consumer events to drive awareness around our brands.

Capacity at our new plants is progressing as planned. Our fully automated Los Angeles facility is scheduled to come online by the end of the year and will be capable of producing three times more product than the old line with much more efficiency. The east coast back-up facilities have been handling our overflow very well since earlier this year. We now have redundant capacity which will ensure that we avoid the out of stock issues we experienced last year and will allow us to rationalize the usage in 2017.

In 2015, because our largest plant had a catastrophic equipment failure, we created significant out of stocks on our products. During this time, these out of stock issues caused us to lose approximately 20% of our shelf placements. We continue to reach out to our customers to assure them that our out of stock issues were caused by one time events and that we are now back in stock. Our fill rate on orders is now 97% and we have recovered approximately 25% of the shelf placements we had lost. We expect to get back much of the remaining lost shelf placements at an even faster pace moving forward. The combination of the plant capacity and the shelf space opportunity for a sustained sales recovery in 2017.

By bringing the west coast facility on line and returning to more steady-state production, we expect to increase our profit margins. Our goal is to exceed 30% gross margins by the end of the 2nd quarter 2017. This will be accomplished by negotiating better packaging contracts, improving production processes and enhancing plant efficiencies. The margin improvements should result in significant improvement in profitability. We generated cash in the 3rd quarter of 2016 and with the improvement in margins, we expect to continue to generate positive cash flow moving forward.

This year we have continued to focus on research and development with our primary focus being the development of the first natural soda fountain system, which we are designing for one of the largest fast casual restaurant chains in the country. In addition, we have developed new processes for making our Ginger Brews that will simplify the brewing process and improve profitability without sacrificing quality. We are revamping our Kombucha line to make it more appealing to customers while retaining the great flavor of these products. We expect the revised Kombucha line to launch in early 2017. Our research and development team has also developed a new line of products aimed at large national retailers that we will unveil shortly.

As the quarterly financials continue to improve, we anticipate lower interest rates on working capital lines of credit. In 2017, we anticipate refinancing our current working capital line of credit resulting in significantly lower interest expenses.

In 2017, we expect continued and accelerating sales growth leading to increased profitability and shareholder value. We eagerly await our launch of the first natural soda fountain to consumers. As the company continues its march to profitability, we expect to be able to ramp up the marketing around our products. We are excited about our new product innovations that will soon launch and the re-launch of our Kombucha. We are excited about our new board and management team that we have assembled around Reed's.

Chris Reed

Founder, Chief Executive Officer and Chairman, Reed's, Inc.

NYSE MKT: REED

FORWARD LOOKING STATEMENTS

This statement contains forward-looking statements. These statements include projections, predictions, expectations or statements as to beliefs or future events or results or refer to other matters that are not historical facts.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from those contemplated by these statements. The forward-looking statements contained herein are based on various factors and were derived using numerous assumptions. In some cases, you can identify these forward-looking statements by the words “anticipate”, “estimate”, “plan”, “project”, “continuing”, “ongoing”, “to”, “aim”, “expect”, “believe”, “intend”, “may”, “will”, “should”, “could”, or the negative of those words and other comparable words.

You should be aware that those statements reflect only the Company’s predictions. If known or unknown risks or uncertainties should materialize, or if underlying assumptions should prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected. You should bear this in mind not to place undue reliance on these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements contained in this statement are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

REED'S, INC.

13000 South Spring Street Los Angeles, California 90061

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

To be held [], 2016

Dear Stockholder:

You are cordially invited to attend our annual meeting of stockholders at [] on [], 2016. The business of the annual meeting will be to:

Elect Christopher Reed, John Bello, Stefan Freeman, Lewis Jaffe and Charles Cargile to serve as directors until the 2017 annual meeting, or until each director's successor is elected and qualified;

Ratify the selection of Weinberg & Company, P.A. as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2017;

Consider and vote on whether to approve, on an advisory basis, the compensation paid to our Named Executive Officers (as that term is defined in the Proxy Statement for the 2016 Annual Meeting) for the fiscal year ended December 31, 2015;

Approve management proposal to re-price previously issued stock options,

To amend the advance notice provisions of our amended and restated bylaws,

Consider shareholder proposals, if properly presented by the relevant shareholder proponents; and

To transact such other business as may properly come before the 2016 Annual Meeting and any adjournments or postponements thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice of Annual Meeting of Stockholders. The board recommends: a vote "**FOR**" each of the three nominees for director named in the accompanying Proxy Statement and a vote "**FOR**" proposals 2, 3, 4 and 5 on the enclosed **WHITE** proxy card.

The board has fixed the close of business on October 24, 2016 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and at any continuation, postponement or adjournment thereof.

* * * IMPORTANT NOTICE * * *

Regarding Internet Availability of Proxy Materials

for the 2016 Annual Meeting of Stockholders to be held on [], 2016.

In accordance with rules issued by the Securities and Exchange Commission, you

may access our 2015 Annual Report and our Proxy Statement at

[]

The board recommends a vote “**FOR**” the election of each of the director nominees named in the accompanying Proxy Statement and on the enclosed **WHITE** proxy card, and strongly urges you **NOT** to sign or return any proxy card(s) or instruction form(s) that you may receive from the Committee or any of their affiliates.

Please submit a WHITE proxy as soon as possible so that your shares can be represented and voted at the Annual Meeting in accordance with your instructions. For specific instructions on submitting a proxy to have your shares voted, please refer to the instructions on the WHITE proxy card or the information forwarded by your bank, broker or other nominee. Even if you have submitted a White proxy, you may still vote in person if you attend the Annual Meeting. Please note, however, that if your shares are held of record by a bank, broker or other nominee and you wish to vote in person at the Annual Meeting, you must obtain a legal proxy issued in your name from such bank, broker or other nominee.

If you have previously signed a proxy card sent to you by the Committee or any of their affiliates in respect of the Annual Meeting, you can revoke that proxy and submit a White proxy to vote for the board's nominees by signing, dating and returning the enclosed WHITE proxy card or by following the instructions provided in the WHITE proxy card to submit a proxy to vote your shares over the Internet or by telephone or by voting in person at the Annual Meeting. Signing, dating and returning any proxy card that the Committee or any of their affiliates may send to you, even with instructions to vote "withhold" with respect to the Committee Nominees, will cancel any proxy you may have previously submitted to have your shares voted for the board's nominees on a WHITE proxy card as only your latest proxy card or voting instruction form will be counted. If you are a beneficial holder of shares held in "street name," you should follow the voting instructions provided by your bank, broker or other nominee to ensure that your shares are represented and voted at the Annual Meeting, or to revoke prior voting instructions. The board urges you to sign, date and return only the enclosed WHITE proxy card.

Your vote is very important. Please submit your WHITE proxy card even if you plan to attend the Annual Meeting. To submit a White proxy card or to vote your shares over the Internet or by telephone, please follow the instructions on the enclosed WHITE proxy card.

The accompanying Proxy Statement provides a detailed description of the business to be conducted at the Annual Meeting. We urge you to read the accompanying Proxy Statement, including the appendices and any documents incorporated by reference, carefully and in their entirety.

Your vote will be especially important at the meeting. As you may know, Joseph Grace, Edwin R. Lozano, James G. McRitchie, Gary W. Spiro, Mathew D. Tekulsky, Jeffrey T. Glidden and Jeffrey V. Hembrook (collectively referred to herein as the "Committee"), have notified the Company that they intend to nominate a slate of five nominees for election as directors in opposition to the nominees recommended by our board of directors.

The board recommends a vote "**FOR**" the election of each of the director nominees named in the accompanying Proxy Statement and on the enclosed **WHITE** proxy card, and strongly urges you **NOT** to sign or return any proxy card(s) or instruction form(s) that you may receive from the Committee or any of their affiliates.

Los Angeles, California By Order of the Board of Directors
[], 2016 Christopher J. Reed, Chairman

If you have any questions or require any additional information concerning this Proxy Statement, please contact Okapi Partners at the address set forth below.

1212 Avenue of the Americas, 24th Floor

New York, NY 10036

(212) 297-0720

Call Toll-Free at: (877) 274-8654

E-mail: info@okapipartners.com

Los Angeles, California By Order of the Board of Directors,
[], 2016 Christopher J. Reed,
 Chief Executive Officer and Chairman

PROXY STATEMENT

**FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS OF
REED'S, INC.**

To Be Held on [], 2016

The enclosed the enclosed **WHITE** proxy card is being delivered with this Proxy Statement on behalf of the board of directors (the “board”) of Reed’s, Inc., a Delaware corporation, for use at the 2016 Annual Meeting of Stockholders (the “Annual Meeting”) of Reed’s, Inc. and all postponements, continuations or adjournments thereof. These proxy materials and the enclosed Annual Report on Form 10K for the year ended December 31, 2015, as amended, (“Annual Report”) are being mailed to our stockholders on or about [], 2016. In this Proxy Statement, we use the terms the “Company”, “Reed’s”, “we”, “our” and “us” to refer to Reed’s, Inc.

Is my vote important? Your vote will be particularly important at the Annual Meeting. As you may know, the Company has received a notice from Joseph Grace, Edwin R. Lozano, James G. McRitchie, Gary W. Spiro, Mathew D. Tekulsky, Jeffrey T. Glidden and Jeffrey V. Hembrock (the “Committee”) regarding their intent to nominate a competing slate of directors (the “Committee Nominees”) at the Annual Meeting.

The board recommends a vote “**FOR**” the election of each of the director nominees named in this Proxy Statement on the enclosed **WHITE** proxy card, and strongly urges you **NOT** to sign or return any proxy card(s) or voting instruction form(s) that you may receive from the Committee or any of their affiliates.

To vote for all of the board’s nominees, you must sign, date and return the enclosed **WHITE** proxy card or follow the instructions provided in the **WHITE** proxy card for submitting a proxy over the Internet or by telephone or vote in person at the Annual Meeting.

If you have previously signed any proxy card sent to you by the Committee or any of their affiliates in respect of the Annual Meeting, you can revoke it by signing, dating and returning the enclosed **WHITE** proxy card or by following the instructions provided in the **WHITE** proxy card for submitting a proxy to vote your shares over the Internet or by telephone or voting in person at the Annual Meeting. Signing, dating and returning any proxy card that the Committee or any of their affiliates may send to you, even with instructions to vote “withhold” with respect to the Committee Nominees, will cancel any proxy you may have previously submitted to have your shares voted for the board’s

nominees as only your latest proxy card or voting instruction form will be counted. Beneficial holders who hold their shares in "street name" should follow the voting instructions provided by their bank, broker or other nominee to ensure that their shares are represented and voted at the Annual Meeting, or to revoke prior voting instructions.

The board urges you to sign, date and return only the enclosed WHITE proxy card.

Where and when is the Annual Meeting? Our Annual Meeting will be held [], on [] at [] Pacific Standard Time.

Why did I receive these materials? You received this Proxy Statement because you held shares of our common stock on October 24, 2016, the record date fixed by our board, and you are entitled to vote at the Annual Meeting. This Proxy Statement and a copy of our Annual Report will be mailed on or about [], 2016. Although the Proxy Statement and Annual Report are being mailed together, the Annual Report is not incorporated into, and should not be deemed part of, this Proxy Statement.

Who can attend the Annual Meeting? Only stockholders as of the record date, their authorized representatives, and invited guests will be able to attend the Annual Meeting.

Who is entitled to vote? Only holders of record of our common stock at the close of business on October 24, 2016, the record date, are entitled to vote at the Annual Meeting. Each share is entitled to vote on each matter properly brought before the meeting. As of the record date, there were 13,973,726 shares of our common stock outstanding. Holders of Series A preferred stock do not have voting rights on any matters, including, without limitation, the election of directors.

Who are the proxies? The board of the Company has appointed Daniel Miles, our Chief Financial Officer and Mark Beaton, our Chief Operating Officer to serve as proxies at the Annual Meeting. When you fill out your **WHITE** proxy card and return it, or if you vote electronically, you will be giving the proxies your instruction on how to vote your shares at the Annual Meeting.

Will there be a proxy contest at the Annual Meeting? The Committee has provided notice to the Company that the Committee intends to nominate a competing slate of directors in opposition to the board's highly qualified director nominees. Our board does **NOT** endorse or recommend the election of the Committee Nominees as directors. You may receive proxy solicitation materials from the Committee or any of their affiliates, including an opposition proxy statement or proxy card. The board strongly urges you **NOT** to sign or return any proxy card(s) or voting instruction form(s) that you may receive from the Committee or any of their affiliates.

Please be advised that the Company is not responsible for the accuracy of any information provided by, or relating to, the Committee or any Committee Nominee contained in any proxy solicitation materials filed or disseminated by, or on behalf of, the Committee or any of their affiliates or any other statements that the Committee or any of their affiliates or representatives may otherwise make.

Our board is pleased to nominate for election as director the five persons — Christopher Reed, John Bello, Lewis Jaffe, Charles Cargile, and Stefan Freeman — named in this Proxy Statement and on the enclosed **WHITE** proxy card. We believe our five director nominees have the breadth of relevant and diverse experiences, integrity and commitment necessary to continue to grow the Company for the benefit of all of the Company's stockholders.

What do I do if I receive a proxy card or voting instruction form from the Committee?

The board strongly urges you **NOT** to sign or return any proxy card(s) or voting instruction form(s) that you may receive from the Committee or any of their affiliates, even with instructions to vote "withhold" with respect to the Committee Nominees. Instructions to withhold votes with respect to the Committee Nominees on a proxy card provided by, or on behalf of, the Committee or their affiliates will cancel any proxy previously submitted by you to vote for the board's nominees on a **WHITE** proxy card or **WHITE** voting instruction form as only your latest proxy card or voting instruction form will be counted.

If you previously signed a proxy card or submitted a voting instruction form sent to you by, or on behalf of, the Committee or their affiliates, you can change or revoke that proxy and have your shares voted for the board's nominees by (i) signing, dating and returning only the enclosed **WHITE** proxy card in the enclosed postage-paid return envelope to submit your proxy by mail, (ii) following the instructions provided in the **WHITE** proxy card for submitting a proxy over the Internet or by telephone, or (iii) attending the Annual Meeting to vote in person. Only your latest dated proxy will be counted at the Annual Meeting.

If you need assistance changing or revoking your proxy, please call the Company's proxy solicitor, Okapi Partners, toll free at (877) 274-8654 (within the U.S.).

How do I vote if I am a registered stockholder? You may vote in person, electronically via the Internet, or by proxy. Proxies are solicited to give all stockholders who are entitled to vote on the matters that come before the meeting the opportunity to do so whether or not they attend the meeting in person. If you are a registered holder, you can vote your **WHITE** proxy card by mail, electronically via the Internet, or in person at the Annual Meeting. *If you choose to vote by mail, mark your **WHITE** proxy card enclosed with this Proxy Statement, date and sign it, and mail it in the postage-paid envelope. If you wish to vote in person, you can vote the **WHITE** proxy card in person at the Annual Meeting. Signing and returning a proxy will not prevent you from voting in person at the meeting.*

How do I vote electronically? If you are a registered stockholder, you may vote electronically via the Internet. Please review the voting instructions on the **WHITE** proxy card.

How do I specify how I want my shares voted? If you are a registered stockholder, you can specify how you want your shares voted on each proposal by marking the appropriate boxes on the **WHITE** proxy card. Please review the voting instructions on the **WHITE** proxy card and read the entire text of the proposals and the positions of the board of Directors in the Proxy Statement prior to marking your vote. *If your **WHITE** proxy card is signed and returned without specifying a vote, it will be voted according to the recommendation of the board of Directors on that proposal.*

How do I vote if I am a beneficial stockholder? If you are a beneficial stockholder, you have the right to direct your broker or nominee on how to vote your shares. You should complete a voting instruction card which your broker or nominee is obligated to provide to you. If you wish to vote in person at the meeting, you must first obtain from the record holder a **WHITE** proxy card issued in your name.

What items will be voted upon at the Annual Meeting? The following items will be voted upon at the Annual Meeting:

Elect Christopher Reed, John Bello, Stefan Freeman, Lewis Jaffe and Charles Cargile to serve as directors until the 2017 annual meeting, or until each director's successor is elected and qualified;

Ratify the selection of Weinberg & Company, P.A. as the Company's independent registered public accounting firm to audit the financial statements of the Company for the fiscal year ending December 31, 2017;

Consider and vote on whether to approve, on an advisory basis, the compensation paid to our Named Executive Officers (as that term is defined in the Proxy Statement for the 2016 Annual Meeting) for the fiscal year ended December 31, 2015;

Approve management proposal to re-price previously issued stock options,

Vote for the amendment to our amended and restated bylaws to amend the advance notice provisions of the amended and restated bylaws; and

Consider shareholder proposals, if properly presented by the relevant shareholder proponents.

The board does not currently know of any other matters that may be brought before the meeting for a vote. However, if any other matters are properly presented for action, it is the intention of the persons named on the **WHITE** proxy card to vote on them according to their best judgment.

What is the board of directors' voting recommendation? For the reasons set forth in more detail later in the Proxy Statement, the board recommends you vote using the enclosed **WHITE** proxy card **FOR** the election of all nominees for director proposed by our board (Proposal 1). The board has ratified the selection of Weinberg & Company, P.A. as the Company's independent registered public accounting firm to audit the financial statements of the Company for the fiscal year ending December 31, 2017 (Proposal 2) which selection was made by the Company's Audit Committee. The board recommends a vote **FOR** the ratification of the auditors (Proposal 2). The board recommends a vote **FOR** Proposal 3, the say-on-pay proposal, to approve, on an advisory basis, the compensation paid to our Named Executive Officers for the fiscal year ended December 31, 2015. The board recommends a vote **FOR** Proposal 5 to approve management proposal to re-price previously issued stock options. The board recommends a vote **FOR** Proposal 5 to amend the advance notice provision of our amended and restated bylaws. The board recommends a vote **AGAINST** shareholder proposals (Proposals 6 and 7).

Please note that the best way to support the board's nominees is to vote "**FOR**" the board's nominees by signing, dating and returning the enclosed **WHITE** proxy card or by submitting a proxy over the Internet or by telephone by following the instructions on the **WHITE** proxy card. The board strongly urges you **NOT** to sign or return any proxy card(s) or voting instruction form(s) that you may receive from the Committee or any of their affiliates. Signing and returning any proxy card that the Committee or any of their affiliates may send to you, even to vote "withhold" with

respect to the Committee Nominees, will cancel any proxy you may have previously submitted to have your shares voted for the board's nominees on a **WHITE** proxy card, as only your latest dated proxy card will be counted. Therefore, the board urges you to sign, date and return only the enclosed **WHITE** proxy card.

How can I provide my comments to the Company? We urge you to let us know your comments or to bring a particular matter to our attention by writing directly to us at Reed's, Inc., 13000 South Spring Street, Los Angeles, California 90061, attention: Judy Holloway Reed, Secretary.

How many votes are needed to have the proposals pass? The affirmative vote of the majority of the votes cast at the Annual Meeting is required to elect the directors, ratify the selection of the auditors, and proposals regarding independent board Chairman and shareholder proxy access. Because the say-on-pay proposal asks for a non-binding, advisory vote, there is no required vote that would constitute approval. We value the opinions expressed by our stockholders in this advisory vote, and our Compensation Committee, which is responsible for overseeing and administering our executive compensation programs, will consider the outcome of the vote when designing our compensation programs and making future compensation decisions for our Named Executive Officers.

How are the votes counted? You will have one vote for each share of our common stock that you owned on the record date. If the **WHITE** proxy card is properly executed and returned prior to the Annual Meeting, the shares of common stock it represents will be voted as you instruct on the **WHITE** proxy card. If a **WHITE** proxy card is unmarked, or if you indicate no vote, the shares of common stock it represents will be voted **FOR** Proposal No. 1, the election of directors recommended by the Board, **FOR** Proposal No. 2 the ratification of the auditors for this year, **FOR** Proposal 3, the say-on-pay proposal, **FOR** Proposal 4, the re-price stock options, **FOR** Proposal 5, the amendment to the advance notice provision of our amended and restated bylaws, and **AGAINST** shareholder proposals (Proposals 6 and 7).

No Cumulative Voting. Holders of common stock shall not be entitled to cumulate their votes for the election of directors or any other matters.

Abstentions. Abstentions will be treated as present and entitled to vote for purposes of determining the presence of a quorum. Abstentions will not constitute a vote **FOR** or **AGAINST** any matter, and thus will be disregarded in the calculation of shares voting or votes cast on any matter submitted to the stockholders for a vote.

Broker Non-Votes. Brokers that are members of certain securities exchanges and that hold shares of our common stock in street name on behalf of beneficial owners have authority to vote on certain items when they have not received instructions from beneficial owners. Under the applicable rules governing such brokers, Proposal 2 to ratify the appointment of Weinberg & Company, P.A. as our independent registered public accounting firm is considered a “discretionary” item. This means that brokers may vote using their discretion on this proposal on behalf of beneficial owners who have not furnished voting instructions. In contrast, all other proposals are “non- discretionary matters”, which means your bank, brokerage firm, broker-dealer or other similar organization may not vote your shares without voting instructions from you. Therefore, you must give your broker instructions in order for your vote to be counted. If your shares are held of record by a bank, broker or other nominee, we urge you to give instructions to your bank, broker, or other nominee as to how you wish your shares to be voted so you may participate in the stockholder voting on these important matters.

Quorum. A majority of the shares of common stock outstanding on the record date, represented in person or by proxy, will constitute a quorum at the Annual Meeting. As of October 24, 2016 we had [] shares of common stock outstanding. The number of shares required to be represented in person or by proxy at the Annual Meeting to constitute a quorum is [].

How can I revoke my proxy? You may revoke your proxy at any time before it is voted at the meeting by taking one of the following three actions:

1. Giving timely written notice of the revocation to our Secretary,
2. Executing and delivering a WHITE proxy card with a later date, or
3. Voting in person at the meeting.

How would my proxy be voted on other matters? The persons named on the WHITE proxy card will have discretionary authority to vote only on Proposal 2.

Who will solicit proxies on behalf of the board? Proxies may be solicited on behalf of the board, without additional compensation, by the Company’s directors, director nominees and certain executive officers and other employees of the Company. Such persons are listed in Appendix A to this Proxy Statement. Additionally, the Company has retained Okapi Partners, a proxy solicitation firm, who may solicit proxies on the board’s behalf. The original solicitation of proxies by mail may be supplemented by telephone, telegram, facsimile, electronic mail, Internet and personal solicitation by our directors, director nominees and certain of our executive officers and other employees (who will receive no additional compensation for such solicitation activities), or by Okapi Partners. You may also be solicited by advertisements in periodicals, press releases issued by us and postings on our corporate website or other websites. Unless expressly indicated otherwise, information contained on our corporate website is not part of this Proxy

Statement. In addition, none of the information on the other websites listed in this Proxy Statement is part of this Proxy Statement. These website addresses are intended to be inactive textual references only.

Who will pay for the costs involved in the solicitation of proxies? The entire cost of soliciting proxies on behalf of the board, including the costs of preparing, assembling, printing and mailing this Proxy Statement, the **WHITE** proxy card and any additional soliciting materials furnished to stockholders by, or on behalf of, the Company, will be borne by the Company. Copies of the Company's solicitation material will be furnished to banks, brokerage houses, dealers, voting trustees, their respective nominees and other agents holding shares in their names, which are beneficially owned by others, so that they may forward such solicitation material, together with our 2015 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, to beneficial owners. In addition, if asked, the Company will reimburse these persons for their reasonable expenses in forwarding these materials to the beneficial owners. Due to the possibility of a proxy contest, we have engaged Okapi Partners to solicit proxies from stockholders in connection with the Annual Meeting. Okapi Partners expects that approximately [] of its employees will assist in the solicitation of proxies. We will pay Okapi Partners a fee of up to \$[] plus costs and expenses. In addition, we have agreed to indemnify Okapi Partners and certain related persons against certain liabilities arising out of or in connection with their engagement.

The Company estimates that its additional out-of-pocket expenses beyond those normally associated with soliciting proxies for the Annual Meeting as a result of the potential proxy contest will be \$200,000 in the aggregate, of which approximately \$7,500 has been spent to date. Such additional solicitation costs are expected to include the fees incurred to retain Okapi Partners as the Company's proxy solicitor, as discussed above, fees of outside counsel, financial advisors and public relations advisors to advise the Company in connection with a possible contested solicitation of proxies, increased mailing costs, such as the costs of additional mailings of solicitation materials to stockholders, including printing costs, mailing costs and the reimbursement of reasonable expenses of banks, brokerage houses and other agents incurred in forwarding solicitation materials to beneficial owners, as described above, and the costs of retaining an independent inspector of election.

Are there interests of certain persons in matters to be acted upon? No director or executive officer of the Company who has served at any time since the beginning of the 2016 fiscal year, and no nominee for election as a director of the Company, or any of their respective associates, has any substantial interest, direct or indirect, in any matter to be acted upon at the Annual Meeting other than Proposal No. 1—Election of Directors. Other than Director Dan Muffoletto, who has indicated that he does not support certain of the board's nominees, no director has informed the Company in writing that he or she intends to oppose any action intended to be taken by the Company at the Annual Meeting.

Do stockholders have any dissenters' right with regards to the matters proposed to be acted upon? There are no rights of appraisal or other similar rights of dissenters under the laws of the State of Delaware with respect to any of the matters proposed to be acted upon herein.

When will the voting results be announced? The final voting results will be reported in a Current Report on Form 8-K, which will be filed with the Securities and Exchange Commission ("SEC") within four business days after the

Annual Meeting. If our final voting results are not available within four business days after the Annual Meeting, we will file a Current Report on Form 8-K reporting the preliminary voting results and subsequently file the final voting results in an amendment to the Current Report on Form 8-K within four business days after the final voting results are known to us.

Who can answer my questions? Your vote at this year's Annual Meeting is especially important, no matter how many or how few shares you own. Please sign and date the enclosed **WHITE** proxy card or **WHITE** voting instruction form and return it in the enclosed postage-paid envelope promptly or vote by Internet or telephone. If you have any questions or require assistance in submitting a proxy for your shares, please call Okapi Partners, the firm assisting us in the solicitation of proxies:

1212 Avenue of the Americas, 24th Floor

New York, NY 10036

(212) 297-0720

Call Toll-Free at: (877) 274-8654

E-mail: info@okapipartners.com

How can I obtain additional copies of these materials or copies of other documents? Complete copies of this Proxy Statement and 2015 Annual Report, which includes our Annual Report on Form 10-K for the year ended December 31, 2015, are also available at

<https://www.sec.gov/Archives/edgar/data/1140215/000149315216011118/0001493152-16-011118-index.htm> You may also contact Okapi Partners for additional copies. You are encouraged to access and review all of the important information contained in the proxy materials before voting.

DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS

The SEC has adopted rules that permit companies and intermediaries, such as brokers, to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as 'householding', potentially provides extra convenience for stockholders and cost savings for us. Under this procedure, multiple stockholders who share the same last name and address will receive only one copy of the annual proxy materials, unless they notify us that they wish to continue receiving multiple copies. We have undertaken householding to reduce our printing costs and postage fees. If you wish to opt out of householding and receive multiple copies of the proxy materials at the same address you may do so at any time prior to thirty days before the mailing of proxy materials, which will typically be mailed in November of each year, by notifying us in writing at the address below. You may also request additional copies of the proxy materials by notifying us in writing at the address below or by contacting us at the phone number listed below, and we will undertake to deliver such additional copies promptly. If you share an address with another stockholder and currently are receiving multiple copies of the proxy materials, you may request householding by notifying us at the above referenced address or telephone number. We will only deliver one Proxy Statement to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the

stockholders. We will promptly deliver a separate copy of this Proxy Statement to a stockholder at a shared address to which a single copy of the document was delivered upon oral or written request:

Reed's, Inc.

Attention: Judy Holloway Reed, Secretary 13000 South Spring Street

Los Angeles, California 90061 Tel: (310) 217-9400

Fax: (310) 217-9411

Stockholders may also address future requests for separate delivery of Proxy Statements and/or annual reports by contacting us at the address listed above. Stockholders sharing an address with another stockholder who has received multiple copies of the Company's proxy materials may contact us to request delivery of a single copy of these materials.

STOCKHOLDER ADVISORY VOTES

The current frequency of stockholder advisory vote on the compensation paid to our Named Executive Officers is every three years. The next stockholder advisory vote on the compensation paid to our Named Executive Officers and on how frequently we should seek approval from our stockholders, on an advisory basis, of the compensation paid to our Named Executive Officers will occur at the Company's 2019 annual meeting.

IMPORTANT

Your vote is important. No matter how many shares of Common Stock you own, please give the board your proxy FOR the election of the Nominees by taking three steps:

SIGNING the enclosed **WHITE** proxy card,

DATING the enclosed **WHITE** proxy card, and

MAILING the enclosed **WHITE** proxy card TODAY in the envelope provided (no postage is required if mailed in the United States).

If any of your shares of Common Stock are held in the name of a brokerage firm, bank, bank nominee or other institution, only it can vote such shares of Common Stock and only upon receipt of your specific instructions.

Depending upon your broker or custodian, you may be able to vote either by toll-free telephone or by the Internet.

Please refer to the enclosed voting form for instructions on how to vote electronically. You may also vote by signing, dating and returning the enclosed **WHITE** voting form.

If you have any questions or require any additional information concerning this Proxy Statement, please contact Okapi Partners at the address set forth below.

1212 Avenue of the Americas, 24th Floor

New York, NY 10036

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E-mail: info@okapipartners.com

BACKGROUND OF THE SOLICITATION

The following outlines certain interactions the Company has had with the Committee and its representatives:

In mid-2013, Mr. Edward Lozano approached the Company to discuss the possibility of joining Reeds Inc.'s Board of Directors. He described himself as a seasoned beverage executive with extensive background in the beverage industry. He communicated that he thought our products were good, but had not reached their potential and offered his help. The CEO, Mr. Christopher Reed, offered Mr. Lozano a consulting job at \$10,000 per month for 3 months. Mr. Lozano turned down the offer.

On July 18, 2016, Mr. Lozano approached Mr. Reed again and asked if he and an associate, Mr. Jeff Glidden, could be placed on the Board since he thought there were two board seats available. Reed's had only one board seat available because director Mr. Mark Harris had resigned from the Board in June.

On July 27, 2016, Mr. Lozano called to inquire about status of his and Mr. Glidden's applications for the Board. Mr. Lozano offered the services of his lawyers to help get him on Reed's board. Mr. Reed informed Mr. Lozano that the vetting process for a new board member was significant and it would take more than nine days to find the right candidate for the open position created by Director Harris' abrupt resignation. Mr. Lozano expressed dissatisfaction with the answer.

On August 2, 2016, Mr. Lozano sent a letter stating: "I have retained Olshan Frome Wolosky LLP, the leading law firm in the nation representing shareholders in corporate governance and board-related matters, to advise me in seeking improvements to the composition of the Board and the Company's corporate governance practices. To ensure that shareholder viewpoints and interests are adequately represented in the boardroom, I am requesting the immediate appointment of two new, independent directors to the board. Jeffrey T. Glidden and I are very well qualified to help improve strategy, business execution, investor relations and corporate governance at Reed's." Mr. Lozano said in the same letter that if we did not put him on the Board, "I am thus prepared to go public with my concerns and, in the event we cannot come to an amicable resolution, I reserve all of my rights to take any actions as a shareholder that I believe may be required, including the nomination of a full slate of director candidates to replace current board members at the upcoming 2016 Annual Meeting of Stockholders."

On August 9, 2016, Mr. Lozano flew out to Los Angeles, arrived at the offices of Reed's Inc. and demanded an immediate meeting with Mr. Reed, CEO. No meeting had been previously scheduled. Mr. Reed was unavailable and could not meet at that time.

On August 11, 2016, Mr. McRitchie called Mr. Reed and requested a phone conversation on the subject of corporate governance.

On Aug 12, 2016, Mr. McRitchie and Mr. Reed talked. To start the discussion, Mr. McRitchie suggested that it was urgent for Reed's Inc. to put Mr. Lozano and Mr. Glidden on the board. Mr. McRitchie then explained what would happen if Reed's did not do as he suggested. He said as shareholders of Reeds Inc., his group had the right to review corporate documents and they would look for any negative activity in those documents with the intention of exposing this to the shareholders. Mr. McRitchie mentioned that he was a shareholder in another small company, Marrone Bio Innovations, that had recently settled a lawsuit and would pay out \$12 million because of

discrepancies in how they booked versus how they reported sales. Mr. McRitchie said these discrepancies had been discovered by shareholder activists using the shareholders' right to review documents. Mr. Reed felt there was an implied threat to Reed's Inc. in what Mr. McRitchie was saying to him. Mr. Reed told Mr. McRitchie that he did not appreciate being threatened, and felt Mr. McRitchie was attempting to force him (Mr. Reed) to accept Mr. McRitchie's candidates (Mr. Glidden and Mr. Lozano) onto the Board. Mr. Reed told Mr. McRitchie: "In the universe of qualified candidates for Reed's board, why would we choose people who start out by threatening us?"

8. On August 18, 2016, Mr. Lozano sent out a press release announcing that he had formed The Committee to Rescue Reed's ("The Committee") and intended to contest the board at the next shareholder meeting. The press release was later recalled and replaced.

9. On September 17, 2016, a long term investor in Reed's, Mr. Joseph Grace called Mr. Reed and suggested that both sides get together to see if they could work out a compromise and settle on a common board.

10. Mr. Reed accommodated Mr. Grace's request. On September 19 and 20, 2016 Mr. Reed, Mr. Lozano and Mr. Daniel Miles (Reed's CFO) met. Mr. Grace joined them in person on September 19 and another shareholder, David Robinov, joined via telephone on both September 19 & 20. The conclusion of this meeting was that both groups would work quickly to develop their group's slate of candidates. Then the two groups would sit down and pick the best candidates from both slates. They talked about getting board members that had specific expertise in sales and marketing, finance, operations and governance. Mr. Reed knew very little about Mr. Lozano and requested that Mr. Lozano provide him with employment references and a resume with a work history, including verification of his work history with Pepsi and Miller. To this date, Mr. Reed has never received any of the requested employment verification and references from Mr. Lozano. To this date, Reed's Inc. has not received from Mr. Lozano any of the items that were requested.

11. On September 24th, Mr. Lozano sent out a new press release announcing that it had formally nominated five independent candidates for election to the Reed's, Inc. board of directors at the Company's upcoming 2016 annual meeting. Mr. Lozano's group wanted Reed's new board slate finished by September 26th. On the same day, Mr. Reed continued to ask for the due diligence info on Mr. Lozano. Still it was not provided.

12. On October 11th, Mr. Lozano put out another press release stating that efforts to work on a single combined slate of directors had failed.

PROPOSAL 1

ELECT CHRISTOPHER REED, JOHN BELLO, STEFAN FREEMAN, LEWIS JAFFE AND CHARLESCARGILE TO SERVE AS DIRECTORS UNTIL THE 2017 ANNUAL MEETING, OR UNTIL EACH DIRECTOR'S SUCCESSOR IS ELECTED AND QUALIFIED

Our Bylaws provide that the number of directors on the board shall be not less than one or more than seven. The board is empowered to fix the number of directors from time to time and is currently set at five. Christopher J. Reed, Judy Holloway Reed, Mark Harris, and Michael Fischman were elected to our board at the 2015 Annual Meeting. Daniel S.J. Muffoletto was not re-elected and has not resigned. Mark Harris resigned his position on June 1, 2016. Lewis Jaffe was appointed to the board on October 19, 2016 to replace Mark Harris. Proxies cannot be voted for a greater number of persons than the number of nominees named.

The board has nominated and approved the nominations of five persons to serve as directors until the 2017 annual meeting, or until each director's successor is elected and qualified. All of the nominees currently serve on our board. Each of the nominees has agreed to continue to serve if elected. Management expects that each of the nominees will be available for election, but if any of them is not a candidate at the time the election occurs, it is intended that the proxies will be voted for the election of another nominee to be designated by the board to fill any vacancy. Additionally, the board may elect additional members of the board to fill any additional vacancies.

Nominees for Election as Directors

The nominees are as follows:

Name	Age	Current Position with the Company
Christopher Reed	58	President, Chief Executive Officer
John Bello	70	None
Stefan Freeman	55	None
Lewis Jaffe	58	Independent Director and sub-committee member
Charles Cargile	52	None

Business Experience of Nominees

Christopher J. Reed founded our company in 1987 and has served as our Chairman, President and Chief Executive Officer since our incorporation in 1991. Mr. Reed became interested in natural foods, yoga and meditation in 1977. He studied herbal systems of medicine from India and China and became enamored with ginger for its health properties. In 1987, Mr. Reed founded Reed's Inc. and set out to bring ginger to the world through a natural ginger ale brewed directly from fresh ginger root. From the inception of the company, Mr. Reed has been responsible for developing the original product recipes, proprietary brewing processes, packaging designs and marketing concepts behind our Reed's product lines. These include Reed's Ginger Brews, Reed's Culture Club Kombucha line, Reed's Natural Energy Elixir and Reed's Ginger Candies. In 2000 Reed's acquired Virgil's Root Beer, which Mr. Reed expanded by adding a Virgil's Cream Soda line, Real Cola, Dr. Better and a line of Virgil's stevia sweetened "Zero" beverages.

Mr. Reed has served as our Chairman, President and Chief Executive Officer since our incorporation in 1991. Prior to starting Reed's Inc., Mr. Reed was a chemical engineer working in gas purification and liquefaction with a specialty in designing liquefied natural gas (LNG) plants. Mr. Reed received a B.S. in Chemical Engineering in 1980 from Rensselaer Polytechnic Institute in Troy, New York.

John Bello will be Reed's Board Chairman and sales and marketing expert. Since 2001, Mr. Bello has been the Managing Director of JoNa Ventures, a family venture fund. From 2004 to 2012 Mr. Bello also served as Principal and General Partner at Sherbrooke Capital, a venture capital group dedicated to investing in leading, early stage health and wellness companies. Mr. Bello is the founder and former CEO of South Beach Beverage Company, the maker of nutritionally enhanced teas and juices marketed under the brand name SoBe. The company was sold to PepsiCo in 2001 for \$370 million and in the same year Ernst and Young named Mr. Bello National Entrepreneur of the Year in the consumer products category for his work with SoBe. Before founding SoBe, Bello spent 14 years at National Football League Properties, the marketing arm of the NFL and served as its President from 1986 to 1993. As the President, Mr. Bello has been credited for building NFL Properties into a sports marketing leader and creating the model by which every major sports league now operates.

Prior to working for the NFL, Mr. Bello served in marketing and strategic planning capacities at the Pepsi Cola Division of PepsiCo Inc. and in product management roles for General Foods Corporation in the Sanka and Maxwell House brands. Mr. Bello has also worked with IZZE and Firefighter brands in brand building, marketing and strategic planning capacities.

Mr. Bello earned his BA from Tufts University, cum laude, and received his MBA from the Tuck School of Business at Dartmouth College as an Edward Tuck Scholar. Mr. Bello is extensively involved in non-profit work and currently serves as a Tufts University Trustee and advisory board member (athletics). Additionally, he serves on the boards of: the Gordon Entrepreneurial Center at Tufts, the Tuck Center for Private Equity, the YMCA in Rye, New York and the New York Council Boy Scouts of America. Mr. Bello also serves on the board of Boathouse Sports and is executive director of Luminesce Eye Therapies.

We believe that Mr. Bello brings a vision for innovation and strategic marketing to Reed's Inc. that will create possibilities for market penetration and expansion. If elected, Mr. Bello will serve as the Non-Executive Chairman/Lead Independent Director.

Lewis Jaffe will be our Board's Governance expert. Since August 2014, Mr. Jaffe has been teaching as an Executive-in-Residence and Clinical Faculty at the Fred Kiesner Center for Entrepreneurship, Loyola Marymount University. Since January 2010 Mr. Jaffe has served as Chairman of the Board for FitLife Brands Inc (FTLF:OTCBB) and serves on its audit, compensation and governance committees. Since 2006 he has served on the board of Director of York Telecom, a private equity owned company, and serves on its compensation and governance committees. From 2006 to 2008 Mr. Jaffe was Interim Chief Executive Officer and President of Oxford Media, Inc. Mr. Jaffe has also served in executive management positions with Verso Technologies, Inc., Wireone Technologies, Inc., Picturatel Corporation, and he was also previously a Managing Director of Arthur Andersen. Mr. Jaffe was the co-founder of MovieMe Network. Mr. Jaffe also served on the Board of Directors of Benihana, Inc. as its lead independent director from 2004 to 2012.

Mr. Jaffe is a graduate of the Stanford Business School Executive Program, holds a Bachelor of Science from LaSalle University and holds a Masters Professional Director Certification from the American College of Corporate Directors, a public company director education and credentialing program.

We believe Mr. Jaffe will be an invaluable asset to the strategic and board governance side of Reed's Inc. and a catalyst for our next level of expansion.

Stefan Freeman will be our Operations expert. Mr. Freeman is a strategic and performance focused executive with more than 25 years in sales operations, manufacturing and supply chain operations in beverages and consumer products. Mr. Freeman has worked for the three largest soda companies in the world and was promoted within each company. From 2011 through 2014, Mr. Freeman was the Regional Vice President of Manufacturing for Coca-Cola Refreshments, managing eight manufacturing plants located throughout Southern California, Arizona and Hawaii. These plants produced 231 million cases with revenues in excess of \$500 million annually. In 2014 Mr. Freeman was promoted from within Coca-Cola Refreshments to Vice President of Fleet Operations in Atlanta, Georgia where he managed one of the five largest fleet operations in North America through April 2016. Prior to working for Coca-Cola, Mr. Freeman was Director of Supply Chain for Dean Foods' Pacific Coast Group, managing nine production facilities with responsibility for a \$155 million annual operating budget. Other prior positions include Director of Sales Operations for Dr. Pepper Snapple Group and Supply Chain Manager and Plant Manager for Pepsi-Cola Bottling Group.

Mr. Freeman hold a Bachelors of Science in mechanical engineering from Tuskegee University and is an active member of the Cisco Systems Global Manufacturing Advisory Board.

We believe that Reed's Inc. will receive great benefit from Mr. Freeman's valuable insights and stewardship of our company's supply chain management and operations. Mr. Freeman currently resides in Los Angeles.

Charles Cargile will be our financial expert. Mr. *Cargile* has a distinguished career as a financial and strategic management executive. Most recently, Mr. Cargile was Senior Vice President, Chief Financial Officer and Treasurer of NASDAQ listed Newport Corporation from 2000 to 2016. He successfully oversaw the acquisition of Newport by MKS Instruments in April, 2016 for \$980 million; an acquisition price 11 times 2015 EBITDA and at a 53% premium to the share price. Prior to his time at Newport Corporation, from 1998 to 2000 Mr. Cargile was Vice President of Finance and Corporate Development at York International Corporation (now part of Johnson Controls). From 1992 to 1998 Mr. Cargile was Corporate Controller and Chief Accounting Officer at BW/IP, Inc. (now Flowserve Corporation). Currently, Mr. Cargile is head of Cargile Financial and Advisory Services based in Newport Coast, CA. He is the lead independent director at Netlist and serves as a director at Sunworks.

Mr. Cargile holds a Bachelor of Science degree in Accounting from Oklahoma State University and a Master's degree in Business Administration from the Marshall School of Business at the University of Southern California. Mr. Cargile has his Professional Director Certification from the American College of Corporate Directors.

We recognize Mr. Cargile as an invaluable and insightful advisor for a wide range of financial and executive decisions and transactions and we look forward to welcoming him to our board.

Director Independence

The board of directors has determined that four of our nominees, John Bello, Lewis Jaffe, Stefan Freeman, and Charles Cargile, do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these nominees is an "independent director" as defined under Section 803 of the of the NYSE MKT Company Guide.

Vote Required

In accordance with applicable law and our Bylaws, the election of directors shall be by the affirmative vote of the majority of the votes cast. For the purposes of election of directors, although abstentions will count toward the presence of a quorum, they will not be counted as votes cast and will have no effect on the result of the vote. Brokers who hold shares in street name may not vote on behalf of beneficial owners with respect to Proposal 1 if they do not receive voting instructions from the beneficial owners. Unless a stockholder indicates otherwise, each signed proxy will be voted **FOR** the election of these nominees.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF CHRISTOPHER J. REED, JOHN BELLO, STEFAN FREEMAN, LEWIS JAFFE AND CHARLES F CARGILE TO SERVE AS A DIRECTOR

PROPOSAL 2

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The board's Audit Committee has appointed Weinberg & Company, P.A. ("Weinberg") as the Company's independent registered public accountants. The board requests that stockholders ratify its selection of Weinberg as our independent registered public accountants for the 2017 fiscal year. If the stockholders do not ratify the selection of Weinberg, the board will select another firm of accountants. Representatives of Weinberg may not be present at the 2016 Annual Meeting.

Weinberg has been our independent registered public accounting firm for a number of fiscal years.

Audit Fees and Related Fees

The aggregate fees billed for each of the last two fiscal years for professional services rendered by Weinberg for the audit of annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were:

The following table shows the fees paid or accrued by us for the audit and other services provided by Weinberg for the years ended December 31, 2015 and 2014.

	2015	2014
Audit Fees	\$142,000	\$89,000
Audit-Related Fees		30,000
Tax Fees	24,000	20,000
All Other Fees		
Total	\$166,000	\$139,000

As defined by the SEC, (i) “audit fees” are fees for professional services rendered by our principal accountant for the audit of our annual financial statements and review of financial statements included in our Form 10K, as amended, or for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years; (ii) “audit-related fees” are fees for assurance and related services by our principal accountant that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “audit fees;” (iii) “tax fees” are fees for professional services rendered by our principal accountant for tax compliance, tax advice, and tax planning; and (iv) “all other fees” are fees for products and services provided by our principal accountant, other than the services reported under “audit fees,” “audit-related fees,” and “tax fees.”

Our Audit Committee’s pre-approval policies and procedures, pursuant to paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X, require the audit committee to pre-approve all accounting related activities prior to the performance of any services by any accountant or auditor. In the year ended December 31, 2015, 100% of audit fees were pre-approved by the audit committee.

The percentage of hours expended on the principal accountant’s engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant’s full time, permanent employees was 0%.

Vote Required

Ratification of the independent auditor requires the affirmative vote of a majority of the votes cast. For purposes of the vote on Proposal 2, abstentions and broker non-votes will not be counted as votes cast and thus will have no effect on the result of the vote although they will count towards the presence of a quorum for Proposal 2. Unless a stockholder indicates otherwise, each signed proxy will be voted **FOR** the ratification of the selection of Weinberg as the Company’s independent registered public accountants.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE SELECTION OF WEINBERG & COMPANY, P.A. AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FOR THE 2017 FISCAL YEAR

PROPOSAL 3

ADVISORY VOTE ON COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

The Dodd-Frank Wall Street Reform and Consumer Protection Act added Section 14A to the Securities Exchange Act of 1934. As required pursuant to Section 14A of the Exchange Act, Proposal 3 is a non-binding, advisory proposal on the compensation that we paid to our Named Executive Officers for the fiscal year ended December 31, 2015. The board is providing stockholders with the opportunity to cast an advisory vote on the compensation of our Named Executive Officers. This proposal, commonly known as a “say-on-pay” proposal, gives you, as a stockholder, the opportunity to endorse or not endorse our fiscal 2015 executive compensation programs and policies and the compensation paid to our Named Executive Officers for the fiscal year ended December 31, 2015.

We believe in the power of open disclosure and know the only way to build and strengthen our reputation and our Company is through honesty and trust. In connection with that belief and as required by SEC rules, we are asking our stockholders to approve, on an advisory basis, the compensation that we paid to our Named Executive Officers for the fiscal year ended December 31, 2015.

As discussed in under the heading “Compensation Overview” in this Proxy Statement, the Compensation Committee’s compensation objectives are to: attract and retain highly qualified individuals with a demonstrated record of achievement; reward past performance; provide incentives for future performance; and align the interests of the Named Executive Officers with the interests of our stockholders. The board is asking stockholders to support this proposal based on the disclosure set forth in these sections of this Proxy Statement, which, among other things, demonstrates:

our commitment to ensuring executive compensation is aligned with our corporate strategies and business objectives and competitive with those of other companies in our industry;

the design of our compensation programs is intended to reward our Named Executive Officers for the achievement of key strategic and financial performance measures by linking short- and long-term cash and equity incentives to the achievement of measurable corporate and individual performance goals; and

our strong emphasis on the alignment of the incentives of our Named Executive Officers with the creation of increased stockholder value.

The board is asking stockholders to cast a non-binding, advisory vote “FOR” the compensation paid to our Named Executive Officers for the fiscal year ended December 31, 2015 as disclosed pursuant to the compensation disclosure rules of the SEC, including the compensation tables and accompanying narrative disclosure under the heading “Executive Compensation” included in this Proxy Statement. Accordingly, we are asking our stockholders to approve the following advisory resolution at our 2016 Annual Meeting:

“RESOLVED, that the Company’s stockholders, hereby approve, on an advisory basis, the compensation paid to the Company’s named executive officers as disclosed pursuant to Item 402 of Regulation S-K, including the compensation tables and accompanying narrative disclosure under the heading “Executive Compensation” contained in the Company’s 2016 Proxy Statement for the 2016 Annual Meeting of Stockholders, for the fiscal year ended December 31, 2015.”

Although the say-on-pay vote we are asking you to cast is non-binding, the board and the Compensation Committee value the views of our stockholders and will consider the outcome of the vote when determining future compensation arrangements for our Named Executive Officers.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE COMPENSATION PAID TO OUR NAMED EXECUTIVE OFFICERS.

PROPOSAL 4

Approve management proposal to re-price previously issued stock options

Both the 2007 Incentive Stock Award Plan and 2015 Incentive and Non-statutory Stock Option plans do not require shareholder approval to re-price the outstanding options to a different price. The Institutional Shareholder Services organization has recommended that corporate stock option repricing be subject to shareholder approval. The current board believes that in order to comply with the spirit of Institutional Shareholder Services’ recommendation it has placed the re-pricing of options to the date the action was considered. On June 10, 2016 the board approved, subject to shareholder approval the price of \$2.65.

With Shareholder approval, 484,500 options held by the non-management employees will be repriced. These options have multiple expiration dates beginning in 2018 and ending in 2020.

In order to retain critical employees during this time we offered to reprice their options contingent on shareholder approval. Many of these employees had no control over the supply chain issues and lost considerable compensation as a result. To retain these employees without having to come up with a large cash outlay we offered to reprice options. The company will have lower option expenses on these options going forward which will improve the financials

The board is asking stockholders to cast a vote “FOR” the re-pricing of previously issued stock options to a price of \$2.65.

“RESOLVED, that the Company’s stockholders, hereby approve, the re-pricing of all outstanding unexercised stock options grants for the 2015 Plan priced above \$2.65 grant the new strike price will be \$2.65. No other terms or conditions will change. For 2007 Plan grants, the original grants will be cancelled and reissued at the \$2.65 strike price and no other terms or conditions will change.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE Re-pricing of Stock Options

PROPOSAL 5 AMENDMENT TO OUR AMENDED AND RESTATED BYLAWS TO AMEND THE ADVANCE NOTICE PROVISIONS OF THE AMENDED AND RESTATED BYLAWS

Because the Company is incorporated in Delaware, the board has approved amendments to our Corporate Governance Guidelines to add a director resignation policy consistent with the Company’s majority voting standard. Under the General Corporation Law of the State of Delaware, even if an incumbent director does not receive the vote required for re-election, that director will continue to serve as a “holdover director” until a successor is elected and qualified. The amended Corporate Governance Guidelines will require each incumbent nominee to submit an irrevocable contingent resignation letter. If the nominee does not receive more votes cast “For” than “Against” their election, our Nominating and Governance Committee will recommend to the board that it accept the nominee’s contingent resignation, unless it determines that acceptance of the resignation would not be in the best interests of the Company and its stockholders. The board will decide whether to accept or reject the contingent resignation offer at its next regularly scheduled meeting, but in no event later than 120 days following certification of the election results. The board’s decision and its reasons will be promptly disclosed in a periodic or current report filed with the SEC.

The proposed amendment to the amended and restated bylaws would amend the advance notice provisions of the amended and restated bylaws by requiring that any stockholder providing advance notice of its nomination of a director for election to the board at a meeting of stockholders must deliver a statement whether such person, if elected, intends to tender, promptly following such person’s election or re-election, an irrevocable resignation effective upon such person’s failure to receive the required vote for re-election at the next meeting at which such person would stand for re-election and upon acceptance of such resignation by the board, in accordance with any policies and procedures adopted by the board for such purpose.

The text of the proposed amendment to the amended and restated is set forth in Appendix B.

Vote Required

Approval of the adoption of the amendment to the amended and restated bylaws requires the affirmative vote of the majority of the votes cast.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE AMENDMENT TO OUR AMENDED AND RESTATED BYLAWS TO AMEND THE ADVANCE NOTICE PROVISIONS OF THE AMENDED AND RESTATED BYLAWS

PROPOSAL 5

SHAREHOLDER PROPOSAL ENTITLED INDEPENDENT BOARD CHAIRMAN

The Company received notice of the intention of a shareholder to present a proposal for voting at the Annual Meeting. The proposal will be voted on only if properly presented at the Annual Meeting. In accordance with the rules of the Securities and Exchange Commission, the proposal and supporting statement are set forth below as received from the shareholder proponent. All statements contained in the proposal and supporting statement are the sole responsibility of the shareholder proponent and the Company and the board disclaim any responsibility for their content. The Company will provide the name, address and shareholdings of the shareholder proponent upon oral or written request directed to the Company's Secretary.

As explained below, the board recommends that you vote "**AGAINST**" the shareholder proposal.

The board of directors of Reed's Inc. does not support the adoption of the resolution proposed below and asks shareholders to consider management's response, which follows the shareholder proposal.

[REED- Rule 14a-8 Proposal, July 11, 2016]

Proposal [4*] - Independent Board Chairman

RESOLVED: Shareholders of Reeds, Inc. (the "Company") ask the board of directors (the "Board") to amend governing documents as necessary to require the Chairman of the Board to be an independent member of the Board. This independence requirement shall apply prospectively, so as not to violate any contractual obligation at the time this resolution is adopted. Compliance is waived if no independent director is available and willing to serve as Chair. The requirement should also specify how to select a new independent chairman if a current chairman ceases to be independent between annual shareholder meetings.

SUPPORTING STATEMENT

When our CEO is also our board chairman, this arrangement can hinder our board's ability to monitor our CEO's performance and for shareholders to speak frankly. An independent Chairman is the prevailing practice in many international markets and is a growing trend at many companies in America.

The Council of Institutional Investors, whose members invest over \$3 trillion, clearly favors an independent chair in the following policy: "The board should be chaired by an independent director."

A 2012 report by GMI Ratings. The Costs of a Combined Chair/CEO (See http://origin.library.constantcontact.com/download/get/file/1102561686275-208/GMIRatings_CEOChairComp062012.pdf) found companies with an independent chair provide investors with five-year shareholder returns nearly 28 percent higher than those headed by a party of one. The study also found corporations with combined CEO and chair roles are 86 percent more likely to register as "Aggressive" in their Accounting and Governance Risk (AGR®) model.

Still, the biggest reason to split the roles is to bring more accountability and oversight to the CEO's job and to free the board to truly act as the CEO's boss.

A recent EY report (See <http://www.ey.com/US/en/Issues/Governance-and-reporting/EY-lets-talk-governance-trends-in-independent-board-leadership-structures>) found titles matter. Lead directors typically cannot call shareholder or board meetings, nor to the lead CEO performance evaluations.

According to a survey by the National Association of Corporate Directors, 72.8% of directors serving on boards with an independent chair opined that companies greatly benefit, while 6.7% stated they did not. (See [http://web.law.columbia.edu/sites/default/files/microsites/millsteincenter/2009%2003%2030%20Chairing%20The%20Board%](http://web.law.columbia.edu/sites/default/files/microsites/millsteincenter/2009%2003%2030%20Chairing%20The%20Board%20)

According to a Spencer Stewart survey of board members, 64% agree or strongly agree that splitting the positions results in more independent thought by directors, while 60% affirm that it leads to more effective CEO evaluations.

(See <http://www.corpgov.deloitte.com/bin/comp/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/USEng/Document/CorporateBoardMember.pdf>, page 21.)

Please vote to protect shareholder value:

Independent Board Chairman- Proposal [4*]

Board Recommendation

Our board recommends a vote “AGAINST” this shareholder proposal

After careful consideration, we have concluded at this time that the adoption of a policy mandating an independent Chairman would not be in the best interests of our stockholders. We therefore recommend that you vote AGAINST this proposal for the following reasons:

The board should retain the flexibility to determine the most effective leadership structure for the Company. We believe that our stockholders’ interests are best served when the board has the flexibility to choose a leadership structure that can be tailored to the needs of our Company. This choice should be based on the needs of the Company as they evolve over time and the nature and qualifications of the individuals serving as Chief Executive Officer and as directors. The proponent’s proposal mandates a particular leadership structure, limiting the board’s ability to leverage its particular and extensive knowledge of the Company, its personnel and market conditions to make a determination that best serves our stockholders’ interests. The members of the board have experience with and knowledge of the challenges and opportunities the Company faces at any given time, and are therefore in the best position to choose the leadership structure that is most appropriate for the situation. Rigid application of the proposal would deprive the board of the ability to evaluate the particular needs of Reed’s.

Stockholders are best served by our current leadership structure. As described further in the “Leadership Structure” section of this Proxy Statement, we have reviewed our Company’s current board leadership structure and determined that, in light of the composition of the board, our company’s size, the nature of our business, the regulatory framework under which we operate, our stockholder base, our peer group and other relevant factors, a combined Chairman/Chief Executive Officer position is currently the most appropriate board leadership structure for our company. Furthermore, according to the Spencer Stuart board Index 2015, only 21 of S&P 500 companies (4%) have adopted a formal policy requiring separation of the Chairman and Chief Executive Officer roles.

The board regularly seeks and considers feedback from stockholders. The board is open to, and regularly seeks and considers, feedback from stockholders, including, with respect to governance topics like the Company’s leadership structure. As with other governance matters, we will continue to consider, as appropriate, our Company’s leadership structure and how the leadership structure can enhance the effectiveness of our corporate governance practices.

Accordingly, the board of directors has concluded that this stockholder proposal is not in the best interests of our stockholders, and recommends that stockholders vote “AGAINST” this proposal.

Vote Required

The affirmative vote of a majority of the votes cast is required to adopt the Proxy Access for Shareholders proposal. For purposes of the vote on Proposal 5, abstentions and broker non-votes will not be counted as votes cast and thus will have no effect on the result of the vote although they will count towards the presence of a quorum for Proposal 5. Unless a stockholder indicates otherwise, each signed proxy will be voted **AGAINST** this Independent Board Chairman requirement under Proposal 5.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE AGAINST THE ADOPTION OF THIS STOCKHOLDER PROPOSAL ENTITLED PROXY ACCESS FOR SHAREHOLDERS.

PROPOSAL 6

SHAREHOLDER PROPOSAL ENTITLED “SHAREHOLDER PROXY ACCESS”

The Company received notice of the intention of a shareholder to present a proposal for voting at the Annual Meeting. The proposal will be voted on only if properly presented at the Annual Meeting. In accordance with the rules of the Securities and Exchange Commission, the proposal and supporting statement are set forth below as received from the shareholder proponent. All statements contained in the proposal and supporting statement are the sole responsibility of the shareholder proponent and the Company and the board disclaim any responsibility for their content. The Company will provide the name, address and shareholdings of the shareholder proponent upon oral or written request directed to the Company's Secretary.

As explained below, the board recommends that you vote "**AGAINST**" the shareholder proposal.

The board of directors of Reed's Inc. does not support the adoption of the resolution proposed below and asks shareholders to consider management's response, which follows the shareholder proposal.

REED – Rule 14a-8 Proposal, July 7, 2016] Proposal [4*] - Shareholder Proxy Access

RESOLVED: Shareholders of Reeds, Inc. (the "Company") ask the board of directors (the "Board") to adopt and present for shareholder approval, a "proxy access" bylaw with *essential elements* for *substantial implementation* as follows:

Require the Company to include in proxy materials for a shareholder meeting at which directors are to be elected, the name, Disclosure and Statement (as defined herein) of any person nominated for election to the board by a shareholder or shareholder group (the "Nominator") that meets the criteria established below.

The number of shareholder-nominated candidates appearing in proxy materials shall be *one quarter of directors then serving or two, whichever is greater*. This bylaw should supplement existing rights under Company bylaws, providing that a Nominator must:

- a) have beneficially owned 3% or more of the Company's outstanding common stock, including recallable loaned stock, continuously for at least *three years* before submitting the nomination and pledges to hold that stock through the annual meeting;
- b) give the Company, within the time period identified in its bylaws, written notice of the information required by the bylaws and Securities and Exchange Commission (SEC) rules about (i) the nominee, including consent to being named in proxy materials and to serving as director if elected; and (ii) the Nominator, including proof it owns the required shares (the "Disclosure"); and
- c) certify that (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator's communications with Company shareholders, including the Disclosure and Statement; (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than Company proxy materials; and (iii) to the best of its knowledge, the required shares were acquired in the ordinary course of business, not to change or influence Company control.

No limitation shall be placed on the number of shareholders that can aggregate their shares to achieve the 3% stock ownership requirement.

No limitation shall be imposed on the re-nomination of shareholder nominees based on the number or percentage of votes received in any election.