[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.

The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of the nominee (the "Statement"). The Board should adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bylaw and applicable federal regulations, and the priority given to multiple nominations exceeding the one-quarter limit.

Supporting Statement: Long-term shareholders need a meaningful voice in nominating directors. The SEC's proxy access Rule 14a-11 (https://www.sec.gov/rules/final/2010/33-9136.pdf) was vacated, in part, for inadequate cost-benefit analysis. *Proxy Access in the United States* (http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n9.1), a CFA Institute cost-benefit analysis, found proxy access would benefit markets and boardrooms, with "little cost or disruption," raising market capitalization by up to $140.3 billion. *Public Versus Private Provision of Governance* (http://ssrn.com/abstract=2635695) found a 0.5% average shareholder value increase for proxy access targeted firms.

Enhance shareholder value. Vote for Shareholder Proxy Access – Proposal [4*]