

REED'S, INC.
a Delaware corporation

Compensation Committee Charter

Adopted: December 19, 2006

Organization

There shall be a committee of the Board of Directors ("Board") of Reed's, Inc., a Delaware corporation (the "Corporation") to be known as the Compensation Committee (the "Committee"). The Committee shall initially be comprised of three directors, directors, who shall meet the independence requirements of NASDAQ, as well as other factors that will contribute to effective oversight and decision-making by the Board. The number may be increased or decreased by the Board. The Corporate Governance Committee shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by the Board and shall serve until such member's earlier resignation or removal. Committee members may be removed by a majority vote of the Board at any time, with or without cause. The Corporate Governance Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Committee. The Committee shall be governed by this charter which has been approved by the Board.

Statement of Policy and Purpose

The Committee shall:

- oversee the Corporation's compensation and benefits policies generally;
- evaluate senior executive performance and review the Corporation's management succession plan;
- oversee and recommend compensation for the Corporation's senior executives; and
- review the report on executive compensation that Securities and Exchange Commission (the "Commission") rules require to be included in the Corporation's annual proxy statement.

Authority and Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters.

- The Committee shall review and make recommendations to and for the approval of the Board regarding the Corporation's compensation and benefits policies generally (subject, if applicable, to stockholder ratification), including reviewing and recommending any incentive-compensation plans and equity-based plans of the Corporation. In reviewing such compensation and benefits policies, the Committee may consider the recruitment, development, promotion, retention and compensation of senior executives and other employees of the Corporation

and any other factors that it deems appropriate. The Committee shall report the results of such review and recommend action with respect to the Corporation's compensation and benefits policies to the Board.

Executive Compensation

- The Committee shall review and make recommendations to and for the approval of the Board regarding for each of the Corporation's senior executives his or her (i) annual base salary level, (ii) annual incentive compensation, (iii) long-term incentive compensation, (iv) employment, severance and change-in-control agreements, if any, and (v) any other compensation, ongoing perquisites or special benefit items. In so reviewing and making such recommendations regarding executive compensation, the Committee shall, among other things:
 - identify corporate goals and objectives relevant to executive compensation;
 - evaluate each executive's performance in light of such goals and objectives and set each executive's compensation based on such evaluation and such other factors as the Committee deems appropriate and in the best interests of the Corporation (including the cost to the Corporation of such compensation); and
 - determine any long-term incentive component of each executive's compensation based on awards given to such executive in past years, the Corporation's performance, stockholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Committee deems appropriate and in the best interests of the Corporation (including the cost to the Corporation of such compensation).
- The Committee shall report the results of such review and make recommendations with respect to the compensation of the Corporation's senior executives to the Board.
- The Committee may delegate to one or more officers of the Corporation the authority to make grants and awards to any non-Section 16 officer of the Corporation under such of the Corporation's incentive-compensation or other equity-based plans as the Committee deems appropriate and in accordance with the terms of such plans.

Disclosure

- The Committee shall review the report on executive compensation that the Commission rules require to be included in the Corporation's annual proxy statement.
- A copy of this charter will be made available to stockholders without charge and on the Corporation's website, if required under applicable rules and regulations. The Corporation's Annual Report on Form 10-K will state that this charter is available in print to stockholders upon request, if required under applicable rules

and regulations.

Reporting to the Board

- The Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to the Corporation compensation and benefits policies, executive and director compensation, performance of management and management succession planning and any other matters that the Committee deems appropriate or is requested to be included by the Board.
- The Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Nominating and Corporate Governance Committee and Board for review and approval.

Procedures

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chairman of the Committee, in consultation with the other committee members, shall determine the frequency and length of the committee meetings, shall set meeting agendas consistent with this charter. No senior executive should attend that portion of any meeting where such executive's performance or compensation is discussed, unless specifically invited by the Committee. The Committee shall periodically report to the Board on significant matters discussed by the Committee.

Committee proceedings shall conform to the requirements of NASDAQ and other applicable regulations, as they may be amended from time to time.

The Committee has the sole authority to retain and terminate any compensation consultant assisting the Committee in the evaluation of Chief Executive Officer or senior executive compensation, including sole authority to approve all such compensation consultant's fees and other retention terms.

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate and in the best interest of the Corporation.