GAIA, INC
Form DEF 14A
March 16, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

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 § 240.14a-12
Gaia, Inc.

(Name of Registrant as Specified in Its Charter)

N/A

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No fee required.
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(3) Filing Party:

(4) Date Filed:

Gaia, Inc.

833 West South Boulder Road

Louisville, Colorado 80027

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON THURSDAY, MAY 3, 2018

To our shareholders:

We will hold the 2018 annual meeting of shareholders of Gaia, Inc. (“we”, “us”, “our”, or “Gaia”), a Colorado corporation, on Thursday, May 3, 2018, at 9:30 a.m. Mountain Time at the Marriott Courtyard, 948 West Dillon Road, Louisville, Colorado 80027, for the following purposes:

1. to elect seven directors to serve until the next annual meeting of shareholders or until their successors are duly elected and qualified; and
2. to transact such other business as may properly be brought before our annual meeting, or any adjournment(s) or postponement(s) thereof.

Our board of directors has fixed the close of business on March 9, 2018, as the record date for determining our shareholders entitled to notice of, and to vote at, our annual meeting. A complete list of our shareholders entitled to vote at our annual meeting will be available for inspection by any of our shareholders prior to our annual meeting, upon written request showing a proper purpose, during normal business hours at our Louisville, Colorado office. Only shareholders of record on the March 9, 2018 record date are entitled to notice of, and to vote at, our annual meeting and any adjournments or postponements thereof.

We are furnishing proxy materials to our shareholders primarily by the Internet. On March 23, 2018, we expect to mail our shareholders (other than those who previously requested electronic or paper delivery of our proxy materials) a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2018 proxy statement and 2017 annual report online at www.proxyvote.com and how to vote in person, through the Internet, or by mail. The Notice of Internet Availability of Proxy Materials also instructs you on how to access your proxy card and provides instructions on how you can request a paper copy of these documents if you desire. If you received your annual meeting materials by mail, the proxy statement and proxy card from our board of directors and our annual report were enclosed. The proxy card instructs you on how to vote by telephone or by mail. This process is designed to expedite our shareholders’ receipt of proxy materials, lower the cost of our annual meeting, and help conserve natural resources. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. Please make the request on or before April 19, 2018 to facilitate timely delivery. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

Our shareholders are cordially invited to attend our annual meeting in person.

By Order of the Board of Directors

Paul Tarell, Secretary
March 16, 2018

YOUR VOTE IS IMPORTANT

We urge you to vote your shares as promptly as possible by following the voting instructions in the Notice of Internet Availability of Proxy Materials.

If you have shares registered in your own name, you may vote your shares in a number of ways:

- electronically via the Internet at www.proxyvote.com;
- by telephone, if you have a proxy card and you are in the U.S. and Canada, by calling (800) 690-6903;
- by mailing us an executed proxy card; or
- in person at the annual meeting.

If you hold our shares with a broker, you may also be eligible to vote via the Internet or by telephone if your broker or bank participates in the proxy voting program provided by Broadridge Investor Communication Services.

Gaia, Inc.

833 West South Boulder Road

Louisville, Colorado 80027

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON THURSDAY, MAY 3, 2018

We are furnishing this proxy statement and the accompanying proxy card to our shareholders in connection with the solicitation of proxies by and on behalf of our board of directors for use at our 2018 annual meeting of shareholders to be held on Thursday, May 3, 2018, starting at 9:30 a.m. Mountain Time at the Marriott Courtyard, 948 West Dillon Road, Louisville, Colorado 80027, and at any adjournment(s) or postponement(s) thereof. On or about March 23, 2018, we expect to mail or give to our shareholders (other than those who previously requested electronic or paper delivery of our proxy materials) a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2018 proxy statement and 2017 annual report and how to request paper delivery of our proxy materials if desired. The address of our principal executive office is 833 West South Boulder Road, Louisville, Colorado 80027.

PURPOSE OF ANNUAL MEETING

At the annual meeting, our shareholders will be asked: (i) to elect seven directors of our company to serve until the next annual meeting of shareholders or until their successors are duly elected and qualified; and (ii) to transact such other business as may properly be brought before the annual meeting. Our board recommends a vote "FOR" the election of the nominees for directors of Gaia, Inc., a Colorado corporation ("we", "us", "our", "company", or "Gaia"), listed below.

QUORUM AND VOTING RIGHTS

The presence, in person or by proxy, of the holders of a majority of the outstanding votes eligible to be cast by our Class A common stock and Class B common stock is necessary to constitute a quorum at the annual meeting. Only shareholders of record at the close of business on the record date, March 9, 2018, will be entitled to notice of, and to vote at, the annual meeting. As of March 9, 2018, there were 9,799,943 shares of our Class A common stock, par value $.0001 per share, and 5,400,000 shares of our Class B common stock, par value $.0001 per share, outstanding and entitled to vote. Holders of our Class A common stock as of the record date are entitled to one vote for each share held and holders of our Class B common stock as of the record date are entitled to ten votes for each share held. The holders of our Class A and Class B common stock will vote together as a single class. Cumulative voting is not permitted for any purpose. Once a quorum is present, the affirmative vote of a majority of the votes cast on any subject matter shall be the act of the shareholders, other than with respect to the election of directors, as described below.

Mr. Jirka Rysavy, our Chairman, holds all 5,400,000 outstanding shares of our Class B common stock and 348,682 shares of our Class A common stock. These shares are sufficient to constitute a quorum and to elect all Gaia directors. Mr. Rysavy has indicated that he plans to be present at the meeting and vote in favor of the proposal identified in this proxy statement as recommended by the board.

All shares of our common stock represented by properly executed proxies will, unless the proxies have previously been revoked, be voted in accordance with properly executed instructions indicated in the proxies. Abstentions and broker non-votes will have no effect on the result of the vote, although abstentions will count towards the presence of a quorum. Any shareholder executing a proxy has the power to revoke the proxy at any time prior to its exercise.

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A proxy may be revoked prior to exercise by: (a) filing with Gaia a written revocation of the proxy; (b) appearing at the annual meeting and voting in person; (c) voting by telephone or by using the Internet, either of which must be completed by 11:59 p.m. Eastern Time on May 2, 2018 (only your latest telephone or Internet proxy is counted); or (d) submitting to Gaia a duly executed proxy bearing a later date.

We are continuing to use the Securities and Exchange Commission's "E-Proxy" rules and furnishing proxy materials to our shareholders primarily by the Internet. On March 23, 2018, we expect to mail or give to our shareholders (other than those who previously requested electronic or paper delivery of our proxy materials) a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2018 proxy statement and 2017 annual report. The Notice of Internet Availability of Proxy Materials also instructs you on how to access your proxy card to vote through the Internet or by telephone, and provides instructions on how you can request a paper copy of these documents if you desire. If you received your annual meeting materials by mail, the proxy statement and proxy card from our board of directors and our annual report were enclosed. If you received your annual meeting materials via email, the email contained voting instructions and links to the proxy statement and annual report on the Internet, which are both available at www.proxyvote.com. This process is designed to expedite our shareholders' receipt of proxy materials, lower the cost of our annual meeting, and help conserve natural resources. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. You should make this request on or before April 19, 2018 to facilitate timely delivery. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise. Our annual report is not to be considered as a part of this proxy statement or as having been incorporated by reference into this proxy statement.

This proxy statement, the proxy card, voting instructions and our 2017 annual report are being made available to shareholders at www.proxyvote.com. You may also request a printed copy of this proxy statement and the proxy card or our annual report by any of the following methods: (a) telephone at (800) 579-1639; (b) Internet at www.proxyvote.com; or (c) e-mail at sendmaterial@proxyvote.com.

We will bear the cost of preparing, printing, assembling and mailing this proxy statement and other material furnished to shareholders in connection with the solicitation of proxies. In addition, our officers, directors and other employees may solicit proxies by written communication or telephone. These persons will receive no special compensation for any solicitation activities.

IT IS THE INTENTION OF THE AGENT DESIGNATED IN THE ENCLOSED PROXY CARD TO VOTE "FOR" THE ELECTION OF ALL SEVEN NOMINEES FOR DIRECTOR IDENTIFIED BELOW (UNLESS AUTHORITY IS WITHHELD BY THE SHAREHOLDER GRANTING THE PROXY). IF ANY NOMINEE FOR DIRECTOR BECOMES UNAVAILABLE TO SERVE FOR ANY REASON, THE PROXY WILL BE VOTED FOR A SUBSTITUTE NOMINEE OR NOMINEES TO BE SELECTED BY OUR BOARD OF DIRECTORS, UNLESS THE SHAREHOLDER WITHHOLDS AUTHORITY TO VOTE FOR THE ELECTION OF DIRECTORS. JIRKA RYSAVY, WHO HOLDS SHARES WITH A MAJORITY OF THE VOTES, HAS INFORMED GAIA THAT HE INTENDS TO VOTE HIS SHARES IN FAVOR OF THE ELECTION OF THE DIRECTORS NAMED IN THIS PROXY STATEMENT.

PROPOSAL 1

ELECTION OF DIRECTORS

Nominees for Election as Directors

Our board of directors proposes that Kristin Frank, Chris Jaeb, David Maisel, Keyur Patel, Jirka Rysavy, Wendy Schoppert, and Paul Sutherland be elected as directors of our company, to hold office until the next annual meeting of shareholders or until their successors are duly elected and qualified. Unless contrary instructions are given, the proxies will be voted “FOR” these nominees. Each nominee has agreed to serve if elected, and management has no reason to believe that any of the nominees will be unavailable for service. If for any unforeseen reason any nominee should decline or be unable to serve, the proxies will be voted to fill any vacancy so arising in accordance with the discretionary authority of the persons named in the proxy, unless contrary instructions are given.

Our business encompasses the operation of a global digital video subscription streaming service and on-line community that provides curated conscious media to its subscribers in a context characterized by rapidly evolving technologies, exposure to business cycles, and significant competition. Our board of directors is responsible for reviewing and assessing the appropriate skills, experience, and background sought of board of directors members in the context of our business and the current membership on the board of directors. This assessment of board skills, experience, and background includes numerous diverse factors, such as independence; understanding of and experience in video subscription services, technology, finance, and marketing; international experience; age; and gender and ethnic diversity. The priorities and emphasis of the board of directors regarding these factors change from time to time to consider changes in our business and other trends, as well as the portfolio of skills and experience of current and prospective board members. The board of directors reviews and assesses the relevance of and emphasis on these factors in connection with candidate searches.

We do not expect or intend that each director will have the same background, skills, and experience; we expect that board members will have a diverse portfolio of backgrounds, skills, and experiences. One goal of this diversity is to assist the board of directors in its oversight and advice concerning our business and operations. The biographies set forth below note each director's or director nominee's relevant experience, qualifications, and skills that led to the conclusion that such individual should serve as a director of our company.

- Senior Leadership Experience. Directors who have served in senior leadership positions are important to us, as they bring experience and perspective in analyzing, shaping, and overseeing the execution of important operational and policy issues at a senior level. These directors' insights and guidance, and their ability to assess and respond to situations encountered in serving on our board, may be enhanced if their leadership experience has been developed at businesses or organizations that operated on a large scale, faced significant competition, and/or involved technology or other rapidly evolving business models.
- Business Development Experience. Directors who have a background in business development and in acquisitions can provide insight into developing and implementing strategies for growing our business through combination with other organizations. Useful experience in this area includes consideration of "build versus buy," analysis of the "fit" of a proposed acquisition with a company's strategy, the valuation of transactions, and management's plans for integration with existing operations.
- Financial Expertise. Knowledge of financial markets, financing and funding operations, and accounting and financial reporting processes is important because it assists our directors in understanding, advising, and overseeing our capital structure, financing and investing activities, financial reporting, and internal control over such activities.
- Industry and Technical Expertise. Because we are a media content provider, education or experience in relevant technology is useful in understanding our research and development efforts, competing products, the various media categories that we develop, and the market segments in which we compete.
- Brand Marketing Expertise. Directors who have brand marketing experience can provide expertise and guidance as we seek to maintain and expand brand awareness and a positive reputation.

The names of our director nominees, their ages, and the years in which they began serving as directors and their positions, are set forth below. All the director nominees currently serve as directors. Each director serves for a one-year term.

Kristin Frank—age 52—Director since October 2013. Ms. Frank's career spanned 23 years at Viacom where she served from 2015 to 2017 as Chief Operating Officer of MTV combining her background as both a creative and business driver to lead MTV's revenue growth, operations and long-term strategic planning initiatives. Previously, from 2013 to 2015, Ms. Frank served as Executive Vice President of Viacom Music and Entertainment's Connected Content division, with general management responsibilities for MTV, VH1 and LOGO TV. From 2009 to 2012, Ms. Frank served as General Manager for MTV and VH1 Digital where she was instrumental to MTV's growth to 210 million fans on Facebook. From 2005 to 2009 she served as Chief Operating Officer at LOGO TV. From 1996 to 2005, she held multiple positions at Viacom Media Networks including serving as Senior Vice President,

Multiplatform Distribution at LOGO TV as well as Regional Vice President, MTV Networks Content Distribution and Marketing Group overseeing distribution strategy for MTV, VH1, CMT, VH1 Classic, MTV 2 and Logo.

Ms. Frank brings to the board significant experience with management, operations, branding, social media and digital content development, optimization and delivery.

Chris Jaeb—age 58—Director since October 2013. In 2017, he founded BeingWell Media, an artist-based content distribution service. In 2006 he co-founded, and until 2010, served as the President of Malama Kauai, a Hawaii-based nonprofit organization. In 1995, Mr. Jaeb co-founded AudioNet (previously Cameron Broadcasting Systems), an internet-based aggregator of digital media, which changed its name to Broadcast.com prior to its initial public offering in 1998. In 1999, Broadcast.com was sold to Yahoo for $5.4 billion. In 1995, Mr. Jaeb founded eAds, the first fee per click advertising company on the Internet.

In addition to Mr. Jaeb's entrepreneurial experience, he brings to the board a strong understanding of Internet marketing operations and the business aspect of sustainable living.

David Maisel—age 55—Director since June 2016. He has been a Senior Advisor to Rovio, the owner of Angry Birds, since 2012 and is also the Executive Producer of the Angry Birds feature film, which was released in May 2016. From 2004 until 2011, Mr. Maisel was with Marvel Entertainment, Inc., where he was the Founding Chairman of Marvel Studios and architect of the strategy to make its own films and obtain its $500 million plus film facility. From 2001 to 2003, Mr. Maisel headed up the Corporate Strategy and Business Development for Endeavor Talent Agency. He served as Managing Director of Chello Broadband in Europe from 1999 to 2001 and as President of Livent, Inc., a live theatrical production company, from 1998 to 1999. Before that, Mr. Maisel served as Director of Strategic Planning and Corporate Development for The Walt Disney Company and held positions with Creative Artist Agency and The Boston Consulting Group. Mr. Maisel serves on the board of Eros International.

Mr. Maisel brings to the board significant experience with management, production and marketing of content, and investor relations, as well as significant senior financial leadership and expertise in corporate strategy and execution.

Keyur Patel—age 52—Director since May 2017. He serves as the Chairman and Chief Executive Officer at Fuse+Media Pvt. Ltd. Since 2008. Mr Patel was a Co-Founder and a Chairman of Fabrik, LLC., led the turnarounds for Inktomi and Maxtor, and incubated, hatched, and ran a number of successful companies including Brience, Metrius, Webvibe, and Phoenix Software. He served as a General Partner of ComVentures. Mr. Patel has also served as the Managing Partner and Chief Strategy Officer of KPMG Consulting Worldwide, Chief Executive Officer at KPMG Internet business, and Managing Partner and Managing Director of the Price Waterhouse Technology Consulting Practice.

In addition to Mr. Patel's entrepreneurial experience, he brings to the board significant experience with management and investor relations, as well as significant senior financial leadership and expertise in corporate strategy and execution.

Jirka Rysavy—age 63—Founder, Chairman and CEO. He has been Chairman since our inception and has also served as our full-time Chief Executive Officer, other than during the period from March 2009 to July 2016. Mr. Rysavy is the beneficial owner of approximately 38% of our outstanding shares. In 1986, Mr. Rysavy founded Corporate Express, Inc., which, under his leadership as Chairman and Chief Executive Officer, grew to become a Fortune 500 company supplying office and computer products and services. Mr. Rysavy also founded and served as Chairman and Chief Executive Officer of Crystal Market, a health foods concept, which was sold in 1987 to become the concept and first Wild Oats Markets store. Mr. Rysavy was also Chairman of Real Goods Solar, Inc., an entity Gaia founded in 1999 and brought public in 2009. Mr. Rysavy resigned from the board in June 2013 after Gaia sold the majority of its investment in Real Goods Solar, Inc.

Mr. Rysavy brings to the board significant senior leadership, strategic focus, business development, sales and marketing and international experience from his past business experience in senior management roles and as a founder of several successful businesses.

Wendy Schoppert—age 51—Director since October 2013. Since 2014, Ms. Schoppert has been focusing on her role as a director for the boards on which she serves. From April 2005 to February 2014, Ms. Schoppert served on the Senior Executive Team of Sleep Number® Corporation, where she held the positions of Executive Vice President and Chief Financial Officer, Chief Information Officer, interim Chief Marketing Officer and Senior Vice President of International and New Channel Development. Prior to joining Sleep Number, Ms. Schoppert led US Bank's Private Asset Management team and served as Head of Product, Marketing & Corporate Development for the bank's asset management division. She began her career in the airline industry, serving in various financial, strategic, and general management leadership positions at American Airlines, Northwest Airlines and America West Airlines.
Ms. Schoppert serves on the boards of The Hershey Company, a global confectionary company, and Big Lots, Inc., a national retailer, and she is also Vice Chair of Cornell University's "President's Council of Cornell Women."

Ms. Schoppert brings to the board vast experience in brand development and management, as well as significant senior financial leadership and expertise with the oversight of financial reporting and disclosure for public companies.

Paul Sutherland—age 63—Director since June 2012. Mr. Sutherland has worked in the investment and financial advisory business since 1975. He is founder and President of Financial & Investment Management Group, Ltd. ("FIMgroup"), a registered investment adviser that manages investment portfolios on a discretionary basis for individuals, trusts, foundations and retirement plans that he founded in 1984. As the Chief Investment Officer for FIMgroup, he has been managing values-driven, sustainably oriented, global total return, growth and income investment portfolios for more than 25 years. Mr. Sutherland served on the board of directors of the Utopia Funds, a registered investment company, between December 2005 and March 2009. Mr. Sutherland is Chairman and a founding board member of the Utopia Foundation, Squaring the Education Pyramid Institute, and is author of various books including Virtues of Wealth and the AMA guide to Financial Planning. Mr. Sutherland is also owner of Spirituality and Health Media LLC, the publisher of Spirituality & Health magazine, part owner of Smartwired LLC, owner of The Smart Parenting Revolution, which provides educational tools for parents, and educators, and Yen Yoga and Fitness LLC, the largest yoga, spinning and fitness studio in northern Michigan.

In addition to Mr. Sutherland's significant senior leadership, global investment, business, entrepreneurial and financial experience, he brings to the board a broad understanding of the business aspects of the sustainable health, transformation, consciousness, spirituality, and wellbeing movement and market in which Gaia operates.

Vote Required

Directors will be elected by a plurality of the votes cast. "Plurality" means that the nominees receiving the largest number of votes cast are elected as directors up to the maximum number of directors who are nominated to be elected at the meeting. If no instructions are indicated on a proxy card, the shares will be voted "FOR" the election of these nominees for director. Because director nominees must receive a plurality of the votes cast at the annual meeting, a vote withheld from a particular nominee or from all nominees or abstentions will not affect the election of that nominee.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"

THE NOMINEES OF THE BOARD

DIRECTOR INDEPENDENCE, COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS

Board Size and Director Independence

Our board of directors currently consists of seven members and meets regularly during the year. The board of directors will consist of seven members after the 2018 annual meeting of shareholders. Our board of directors has determined that of the director nominees, Messrs. Jaeb, Maisel, Patel, and Sutherland, and Mses. Frank and Schoppert are independent as defined by the listing standards of the NASDAQ Stock Market.

Board Meetings and Board Committees

During 2017, our board held three in-person meetings. Each director, other than Mr. Patel, attended at least 75% of the aggregate of the total number of meetings of our board of directors and the total number of meetings of the committees of our board of directors on which such director served during 2017 (with respect to meetings held while such director served as a director and on a committee). Five of our current directors who served as director at the time of our 2017 annual meeting of shareholders attended our 2017 annual meeting of shareholders.

Our board of directors has standing audit and compensation committees. We have adopted written charters for both committees. These charters can be found in the investors' section of our website at http://ir/gaia.com/governance-docs. Our board of directors selects members for the audit and compensation committees on an annual basis.

Audit Committee. Our audit committee currently consists of Ms. Schoppert, Mr. Jaeb and Mr. Sutherland, and each member of the audit committee is independent within the meaning of rules of the NASDAQ Stock Market. After the 2018 annual meeting, we expect that Ms. Schoppert will continue to serve as chairperson of the audit committee and our board has determined that she is an "audit committee financial expert," as defined in Item 407(d)(5)(ii) of Regulation S-K. Our audit committee is responsible for the appointment, compensation and oversight of our auditor and for approval of any non-audit services provided by the auditor. Our audit committee also oversees:
(a) management's maintenance of the reliability and integrity of our accounting policies and financial reporting and disclosure practices; (b) management's establishment and maintenance of processes to assure that an adequate system of internal control over financial reporting is functioning; and (c) management's establishment and maintenance of processes to assure our compliance with all laws, regulations and company policies relating to financial reporting. Our audit committee held three in-person meetings and one telephonic meeting during 2017.

Compensation Committee. Our compensation committee currently consists of Ms. Frank, Mr. Maisel and Mr. Sutherland, and each member of the compensation committee is independent within the meaning of rules of the NASDAQ Stock Market. After the 2018 annual meeting, we expect that Ms. Frank will continue to serve as the chairperson of the compensation committee. None of the members of our compensation committee has at any time been an officer or employee of our company or has any interlocking relationships that are subject to disclosure under the rules of the Securities and Exchange Commission relating to compensation committees. Our compensation committee establishes compensation amounts and policies applicable to our executive officers, establishes salaries, bonuses and other compensation plans and matters for our executive officers, and administers our equity incentive plans. Our compensation committee held two in-person meetings during 2017.

Director Nominations. We are exempt from the NASDAQ Stock Market rules with respect to independent director oversight over director nominations because we are a controlled company on the basis of Mr. Rysavy's control of more than 50% of the voting power of our outstanding capital stock. In light of Mr. Rysavy's voting control, our board of directors does not believe a nominating committee would serve a meaningful purpose. Our Bylaws set forth certain procedures that are required to be followed by shareholders in nominating persons for election to our board. Generally, written notice of a proposed nomination must be received by our corporate secretary not later than the 45th day nor earlier than the 70th day prior to the anniversary of the mailing of the preceding year's proxy materials. As described above, our board considers a variety of factors when it selects candidates for election to the board, including business experience, skills and expertise that are complementary to those already represented on the board, familiarity and identification with our mission, values and market segments, and other relevant factors. Our board will consider qualified director candidates recommended by our shareholders. Nominations for directors are made by our full board of directors. Because we are a controlled company under the NASDAQ Stock Market rules, our board has not adopted a formal policy regarding the consideration of director candidates recommended by shareholders.

Compensation Committee Interlocks and Insider Participation

During 2017, our compensation committee was comprised of Ms. Frank (chairperson), Mr. Maisel and Mr. Sutherland. None of the members of our compensation committee has at any time been an officer or employee of our company or has any interlocking relationships that are subject to disclosure under the rules of the Securities and Exchange Commission relating to compensation committees.

Executive Sessions of the Board and Leadership Structure

Our board of directors' non-management directors meet periodically in executive session.

Jirka Rysavy serves as a director and as our Chairman and Chief Executive Officer. As our Chairman and Chief Executive Officer, Mr. Rysavy is the most senior executive officer of Gaia and he presides at meetings of our shareholders and our board of directors. As Chairman, he is responsible for business initiative development and oversees our affairs and business in a supervisory role. As our Chief Executive Officer, he has primary, general and active control over our affairs and business and general supervision of our officers, agents and employees. We do not have a lead independent director but, during the past year, six out of the seven members of our board of directors were considered independent and meet periodically in executive session, as described above. We also maintain an audit committee and a compensation committee, each consisting of three independent directors, respectively. Further, as described elsewhere in this proxy statement, Mr. Rysavy controls more than 50% of the voting power of our capital stock, thereby making Gaia a controlled company under the NASDAQ Stock Market rules and, therefore, exempt from several of the corporate governance rules concerning independent director oversight over our affairs.

The video subscription offerings and delivery channels, as well as the competitive and technology landscape, involved in our business are constantly evolving and our senior executive officer brings extensive knowledge in these areas to the board of directors, allowing him to effectively direct board discussions and focus board decision-making on those items most important to our overall success. Our board of directors believes that having our most senior executive officer on our board of directors, who presides at board meetings, helps promote our overall strategic development and facilitates the efficient flow of information between management and our board of directors. Our board of directors also believes that this leadership structure optimizes Mr. Rysavy's contributions to the board's efforts. Further, as our founder and largest shareholder, Mr. Rysavy brings an important perspective to board discussions.

The board currently works closely with Mr. Rysavy in his regular assessment of the risks that could confront our business, whether due to competitive issues, the economy or otherwise. It is management's responsibility to manage risk and bring to our board of directors' attention the most material risks to us. Our board of directors has oversight responsibility of the processes established to report and monitor systems for material risks applicable to us and reviews our enterprise risk management. Our board of directors regularly reviews treasury risks (insurance, credit, and debt), financial and accounting risks, legal and compliance risks, information technology security risks and risks related to internal control over financial reporting. Our compensation committee considers risks related to the attraction and retention of talent and risks relating to the design of compensation programs and incentive arrangements. We have determined that it is not reasonably likely that risks arising from compensation and benefit plans would have a material adverse effect on us. In addition, the full board of directors considers risks to our reputation, reviews risks related to the sustainability of our operations, considers risks related to succession planning, and oversees the appropriate allocation of responsibility for risk oversight among the committees of the board. The full board also has oversight of enterprise risk management and considers strategic risks and opportunities on a regular basis.

DIRECTOR COMPENSATION

During 2017, we paid directors who were not employees of our company or its affiliates a fee of $5,000 for each in-person board meeting that they attended, and a fee of $2,000 for each telephonic board meeting attended. In addition, we paid non-employee directors a fee of $2,000 for in-person attendance at each committee meeting and $1,000 for each telephonic committee meeting attended. Non-chair members of each standing committee received an annual fee of $5,000 and chairpersons of each standing committee received an annual fee of $10,000. Messrs. Maisel and Sutherland elected to receive their compensation in the form of stock options exercisable into Gaia Class A common stock, subject to certain vesting conditions including ongoing participation as a director. Ms. Frank elected to receive her compensation in cash until April 2017 and subsequent to this date in the form of stock options exercisable into Gaia Class A common stock, subject to certain vesting conditions including ongoing participation as a director.

Ms. Schoppert elected to receive a portion of her compensation in shares of Gaia Class A common stock and a portion in cash until October 2017, after which, she elected to receive all compensation in shares of Gaia Class A common stock. Mr. Jaeb elected to receive cash compensation. Mr. Patel did not earn any compensation in 2017.

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Director Compensation Table

The following table provides compensation information for the one-year period ended December 31, 2017 for each non-employee member of our board of directors:

Name	Fees Earned or Paid in Cash (2) ($)	Stock Awards (1)(2)(3) ($)	Option Awards (4) ($)	Total ($)
Kristin Frank	5,000	—	—	5,000
Chris Jaeb	22,000	—	—	22,000
David Maisel	—	—	47,264	47,264
Wendy Schoppert	6,000	28,000	—	34,000
Paul Sutherland	—	—	34,818	34,818
Keyur Patel	—	—	—	—

(1) Amounts in the Stock Awards column reflect the aggregate grant date fair value of awards granted during 2017 and have been computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of grant date fair values of awards for the year ended December 31, 2017 are included in Note 8 to our consolidated financial statements for the year ended December 31, 2017 included in our Annual Report on Form 10-K.

(2) Amounts in the Fees Earned or Paid in Cash and Stock Awards columns include fees for services rendered during 2017, some of which were not administratively paid or issued until 2018.

(3) The director received stock awards with the following fair values on the dates specified. Such awards represent 2017 compensation, in lieu of cash, for services as director.

Name	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Wendy Schoppert	$ 7,000	$3,500	$ 500	$ 17,000

(4) At December 31, 2017, Mr. Maisel had 150,000 outstanding option awards, 75,000 for his services as a director and 75,000 for investor relation services, of which none were exercisable. The aggregated grant date fair value is $295,400, which will be recognized over the five-year vesting period. At December 31, 2017, Mr. Sutherland had 72,000 outstanding option awards of which 12,000 were exercisable. The aggregated grant date fair value is $162,720, which will be recognized over the five-year vesting period. At December 31, 2017, Ms. Frank had 61,950 outstanding option awards of which none were exercisable. The aggregated grant date fair value is $217,610, which will be recognized over the five-year vesting period. The amounts in the table reflect the grant date fair value of options vested during the year. No other directors had outstanding options at year end.

EXECUTIVE OFFICERS OF GAIA

The following table sets forth the names, ages and titles of our executive officers as of March 16, 2018:

Name	Age	Position
Jirka Rysavy	63	Chairman, Chief Executive Officer and a Director
Brad Warkins	50	President and Chief Operating Officer
Paul Tarell	36	Chief Financial Officer
Jaymi Bauer	47	Chief Marketing Officer

Our executive officers are elected annually by our board of directors. Mr. Rysavy has been employed by our company for more than five years. Biographical information about Mr. Rysavy is included in this proxy statement under the heading “Proposal 1—Election of Directors—Nominees for Election as Directors.”

Brad Warkins—age 50—Mr. Warkins became Gaia’s President and Chief Operating Officer on July 1, 2016. He previously served as the Chief Operating Officer of Gaia’s subscription segment since December 2013 and was promoted to serve as that subsidiary’s President in February 2015. Mr. Warkins previously held the position of Vice President of Gaia from 2007 to November 2013, responsible for Gaia’s subscription business. From 1999 until 2007 Mr. Warkins served as President of Conscious Media, Inc., a company majority-owned by Gaia, and purchased by Gaia in 2007.

Paul Tarell—age 36—Mr. Tarell became Gaia’s Chief Financial Officer on July 1, 2016. He previously served as the Chief Financial Officer of Gaia’s subscription segment since July 2014 and its Vice President of Finance from September 2013 to July 2014. Prior to that he served as Vice President – Finance at SET Media, Inc. (acquired by Conversant) from January 2012 until August 2013. He was Senior Director of Finance at Velti, Inc., a mobile advertising technology company, from October 2010 until December 2011. Prior to that, Mr. Tarell was a licensed certified public accountant in public practice with Armanino LLP.

Jaymi Bauer—47—Ms. Bauer became Gaia’s Chief Marketing Officer on July 1, 2016. Prior to this, Ms. Bauer was Chief Marketing Officer of Gaia’s subscription segment since June 2014. From October 2013 to June 2014, Ms. Bauer founded and served as Chief Executive Officer of the marketing firm, Nectarly Consulting. From 2002 until October 2013 she served as Senior Director of Global Product Marketing, in charge of launching Xbox for Microsoft Corporation and previously, she served as Director of Marketing of Microsoft Corporation, in charge of TV, Music and Video Business. From 1994 until 1999 she served in various capacities at Vivendi Universal Games, including Global Brand Manager.

BENEFICIAL OWNERSHIP OF SHARES

The following table sets forth information with respect to the beneficial ownership of our common stock as of March 9, 2018 for (i) each person (or group of affiliated persons) who, insofar as we have been able to ascertain, beneficially owned more than 5% of the outstanding shares of our Class A common stock or Class B common stock, (ii) each director and director nominee, (iii) each executive officer named below in the Summary Compensation Table, and (iv) all current directors and executive officers as a group. We have based our calculation of the percentage of beneficial ownership on 9,799,943 shares of our Class A common stock and 5,400,000 shares of our Class B common stock outstanding on March 9, 2018.

Title of Class of Common Stock	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Class (2)	Percent of Class A Assuming Full Conversion of Class B Ownership (3)
Class A	FMR LLC (4)	1,035,126	10.56 %	6.81 %
	BlackRock, Inc. (5)	776,008	7.92 %	5.11 %
	Financial & Investment Management Group, Ltd (6)	539,175	5.50 %	3.55 %
	Jirka Rysavy (7)	5,748,682	37.82 %	37.82 %
	Brad Warkins (8)	85,500	*%	*%
	Paul Tarell (9)	31,240	*%	*%
	Jaymi Bauer (10)	22,200	*%	*%
	Paul Sutherland (6)	614,882	6.27 %	4.05 %
	David Maisel (11)	39,000	*%	*%
	Chris Jaeb (12)	24,600	*%	*%
	Wendy Lee Schoppert (13)	18,312	*%	*%
	Kristin E. Frank (14)	12,390	*%	*%
	Keyur Patel	—	—%	—%
	All directors and officers as a group (10 persons)	6,596,806	43.40 %	43.40 %
Class B	Jirka Rysavy (7)	5,400,000	100.00 %	100.00 %
	All directors and officers as a group (10 persons)	5,400,000	100.00 %	N/A

* Indicates less than one percent ownership.

— Indicates zero beneficial ownership and zero percent of class.

(1) This table is based upon information supplied by officers, directors and principal shareholders directly to us or on Schedules 13D and 13G and Forms 3, 4 and 5 filed with the Securities and Exchange Commission. All beneficial ownership is direct and the beneficial owner has sole voting and investment power over the securities beneficially owned unless otherwise noted. Share amounts and percent of class include securities convertible into or exercisable for shares of our Class A common stock and restricted stock vesting within 60 days after March 9, 2018.

(2) This column represents a beneficial owner's percentage of ownership for a respective class of our common stock.
(3) This column represents a beneficial owner's percentage of ownership of our Class A common stock, assuming conversion of all 5,400,000 outstanding shares of our Class B common stock. One share of our Class B common stock is convertible into one share of our Class A common stock.
(4) According to a report on Schedule 13G/A filed with the Securities and Exchange Commission on February 13, 2018. The address for FMR, LLC is 245 Summer Street, Boston, MA 02210.
(5) According to a report on Schedule 13G/A filed with the Securities and Exchange Commission on January 25, 2018. The address for BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(6) According to a report on Schedule 13G filed with the Securities and Exchange Commission on August 15, 2016 by Financial & Investment Management Group, Ltd. ("FIMgroup") and information provided by Mr. Sutherland as of March 9, 2018. The securities consist of (a) 533,275 shares of our Class A common stock beneficially owned by FIMgroup in its capacity as investment adviser to its clients other than Mr. Sutherland; (b) 5,900 shares of our Class A common stock directly owned by FIMgroup; (c) 4,000 shares of our Class A common stock directly owned by FIMgroup's 401(k) plan for the benefit of Mr. Sutherland; (d) 23,515 shares of our Class A common stock directly owned by Mr. Sutherland; (e) 150 shares jointly owned by Mr. Sutherland and his son; (f) 21,042 shares of our Class A common stock directly owned by a trust for which Mr. Sutherland serves as the trustee; (g) 12,000 shares of our Class A common stock issuable upon exercise of stock options that are currently exercisable; and (h) 15,000 shares of our Class A common stock issuable upon exercise of stock options exercisable within 60 days after March 9, 2018. FIMgroup shares voting and dispositive power over the securities beneficially owned with its clients. Mr. Sutherland, in his capacity as an officer of FIMgroup, has shared voting and shared dispositive control over the securities beneficially owned by FIMgroup. FIMgroup and Mr. Sutherland disclaim beneficial ownership of the shares of Class A common stock not directly owned by them, respectively. The address for FIMgroup and Mr. Sutherland is 111 Cass St., Traverse City, MI 49684.

(7) According to a report on Schedule 13G/A filed with the Securities and Exchange Commission on February 16, 2016. Includes 5,400,000 shares of our Class A common stock issuable upon conversion of shares of our Class B common stock.

(8) Consist of 6,000 shares of our Class A common stock, 76,500 shares of our Class A common stock issuable upon exercise of stock options that are currently exercisable, and 3,000 shares of our Class A common stock issuable upon exercise of stock options exercisable within 60 days after March 9, 2018.

(9) Consist of 9,640 shares of our Class A common stock, 20,400 shares of our Class A common stock issuable upon exercise of stock options that are currently exercisable, and 1,200 shares of our Class A common stock issuable upon exercise of stock options exercisable within 60 days after March 9, 2018.

(10) Consist of 21,000 shares of our Class A common stock issuable upon exercise of stock options that are currently exercisable, and 1,200 shares of our Class A common stock issuable upon exercise of stock options exercisable within 60 days after March 9, 2018.

(11) Consist of 33,000 shares of our Class A common stock issuable upon exercise of stock options that are currently exercisable, and 6,000 shares of our Class A common stock issuable upon exercise of stock options exercisable within 60 days after March 9, 2018.

(12) Consist of 24,600 shares of our Class A common stock directly held by Mr. Jaeb.

(13) Consist of 18,312 shares of our Class A common stock directly held by Ms. Schoppert.

(14) Consist of 12,390 shares of our Class A common stock issuable upon exercise of stock options exercisable within 60 days after March 9, 2018.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Our Compensation Program and Philosophy

Our compensation program is intended to meet three principal objectives: (1) attract, reward and retain qualified, energetic officers and other key employees; (2) motivate these individuals to achieve short-term and long-term corporate goals that enhance shareholder value; and (3) support our corporate values by promoting internal equity and external competitiveness.

Our executive compensation program is overseen and administered by the compensation committee of our board of directors, which is comprised entirely of independent directors as determined in accordance with various NASDAQ, Securities and Exchange Commission, and Internal Revenue Code rules. Our compensation committee operates under a written charter adopted by our board and is empowered to review and approve the annual compensation for our current executive officers: Mr. Rysavy, Mr. Warkins, Mr. Tarell, and Ms. Bauer. A copy of the charter is available on our website at http://ir.gaia.com/governance-docs.

The principal objectives that guide our compensation committee in assessing our executive and other compensation programs include the proper allocation between long-term compensation, current cash compensation, and short-term bonus compensation. Other considerations include our business objectives, our fiduciary and corporate responsibilities (including internal considerations of fairness and affordability), competitive practices and trends, general economic conditions and regulatory requirements.

In determining the particular elements of compensation that will be used to implement our overall compensation objectives, our compensation committee takes into consideration a number of factors related to our performance, such as our earnings per share, profitability, revenue growth, and business-unit-specific operational and financial performance, as well as the competitive environment for our business. Stock price performance has not been a factor in determining annual compensation because the price of our common stock is subject to a variety of factors outside of our control. Our compensation committee may, when appropriate as determined on an annual basis, identify individual performance goals for executive and other officers, which goals may play a significant role in determining such officer’s incentive compensation for that year and which may be taken into consideration in setting base salary for the next year.

From time to time, our compensation committee meets with our Chairman and Chief Executive Officer, Jirka Rysavy, and/or other executives to obtain recommendations with respect to our compensation programs, practices and packages for executives, other employees and directors. Our management makes recommendations to our compensation committee on the base salary, bonus targets and equity compensation for the executive team and other employees. Our compensation committee considers, but is not bound by and does not always accept, management’s recommendations with respect to executive compensation.

Our compensation committee has also in the past received input from an independent compensation consultant prior to finalizing determinations on material aspects of our compensation programs, practices and packages, and it expects to do so again from time to time. However, in 2017 our compensation committee did not engage an independent compensation consultant.

Mr. Rysavy attends some of our compensation committee’s meetings, but our compensation committee also holds executive sessions not attended by any members of management or non-independent directors. Our compensation committee discusses Mr. Rysavy’s compensation packages with him, but makes decisions with respect to his compensation without him present. Our compensation committee has the ultimate authority to make decisions with respect to the compensation of our named executive officers, but may, if it chooses, delegate any of its responsibilities to subcommittees. Our compensation committee has delegated to the administrative committee of our board of directors, comprised of Mr. Rysavy, the authority to grant long-term incentive awards to employees at or below the level of vice president under guidelines set by our compensation committee.

Elements of Our Compensation Program

Our compensation committee believes that compensation paid to executive officers and other members of our senior management should be closely aligned with our performance on both a short-term and a long-term basis, and that such compensation should assist us in attracting and retaining talented persons who are committed to our mission and critical to our long-term success. To that end, our compensation committee believes that the compensation packages for executive officers should consist of three principal components:

- Base Salary. Base salaries for executive officers are reviewed on an annual basis and at the time of promotion or other change in responsibilities. Starting salary levels and increases in salary are based on subjective evaluation of such factors as the level of responsibility, individual performance, market value of the officer's skill set, and relative salary differences within our company for different job levels. Consideration of the same factors and general economic conditions may also result in the reduction of an officer's base salary.
- Annual Incentive Bonus. Annual incentive bonuses are awarded in the discretion of our compensation committee and generally granted based on a percentage of each executive officer's base salary. Our executive officers' annual incentive bonus potentials are expected to range from approximately 30% to 100% of each executive officer's base salary, depending upon his or her position. After the end of the year, our compensation committee reviews our business unit and overall financial performance and each executive officer's individual performance in determining whether such executive officer should be awarded a bonus.
- Long-Term Incentive Compensation. We may grant long-term, performance-based compensation to executive officers and other employees in the form of stock option awards and restricted stock units granted pursuant to the Gaia, Inc. 2009 Long-Term Incentive Plan.

We have selected these elements because each is considered useful and/or necessary to meet one or more of the principal objectives of our compensation policy. For instance, base salary and bonus target percentages are set with the goal of attracting employees and adequately compensating and rewarding them on a day-to-day basis for the services they perform and for achieving short-term business objectives, while our equity programs are geared toward providing an incentive and reward for the achievement of long-term business objectives and retaining key talent. We believe that these elements of compensation, when combined, are effective, and will continue to be effective, in achieving the objectives of our compensation program.

Our compensation committee believes in the importance of equity ownership for all executive officers and a broader-based segment of our work force, for purposes of economic incentive, key employee retention and alignment of employees' interests with those of shareholders. Our compensation committee believes that the Gaia, Inc. 2009 Long-Term Incentive Plan provides valuable flexibility to achieve a balance between providing equity-based compensation for employees and creating and maintaining long-term shareholder value.

Stock option grants and restricted stock unit awards are typically made when a new executive officer is hired, and in determining the size of stock option grants and restricted stock unit awards, our compensation committee bases its determinations on such subjective considerations as the individual's position within management, experience, market value of the executive's skill set, and historical grant amounts to similarly positioned executives of our company. Our policy is that the exercise price of an option grant or a restricted stock unit award shall be equal to or greater than the closing price of the Class A common stock on the date of grant and, accordingly, will have value only if the market price of the Class A common stock increases after that date. The stock options granted pursuant to the Gaia, Inc. 2009 Long-Term Incentive Plan generally vest at 2% per month during the 11th through 60th month after the date of grant with respect to the first option grant award to an individual, and generally vest at 2% per month beginning in the first full month after the date of grant with respect to subsequent option grants or restricted stock unit awards. The restricted stock units granted pursuant to the Gaia, Inc. 2009 Long-Term Incentive Plan generally vest on a specific date approximately five years from the date of grant.

Our compensation committee reviews our compensation program on an annual basis. In setting compensation levels for a particular executive, our compensation committee takes into consideration the proposed compensation package

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as a whole and each element individually, but does not apply any specific formula in doing so. While the importance of one compensation element to another may vary among executive officers, our compensation committee attempts to correlate the overall compensation package to each executive officer's past and expected future contributions to our business. We currently do not have any employment agreements with our executive officers.

Consideration of Say-on-Pay Vote Results

At the 2017 annual meeting of shareholders, our shareholders approved, on an advisory basis, the compensation of our named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission. Our compensation committee reviewed and considered the final vote results for that resolution, and we have not made any changes to our executive compensation policies or decisions as a result of the vote. Further, at the 2017 annual meeting of shareholders, our shareholders voted, on an advisory basis, for holding an advisory vote to approve named executive officer compensation every three years. Accordingly, our board of directors determined that Gaia will hold the next advisory vote to approve named executive officer compensation at the 2020 annual meeting of shareholders.

Risk Assessments

With respect to risk related to compensation matters, our compensation committee considers, in establishing and reviewing our executive compensation program, whether the program encourages unnecessary or excessive risk taking and has concluded that it does not. Our executive officers' base salaries are fixed in amount and thus do not encourage risk-taking. Bonuses generally are capped and are tied to overall business unit and corporate performance. A portion of compensation provided to the executive officers has in the past been in the form of stock options that are important to help further align executives' interests with those of our shareholders. Our compensation committee believes that these awards do not encourage unnecessary or excessive risk-taking, as the value of the stock options fluctuate with our stock price and do not represent significant downward/upward risk and reward.

Summary Compensation Table

The following table includes information concerning compensation for each of the last three years for our named executive officers.

Name and Principal Position	Year	Salary (5)	Bonus (5)	Option and Restricted Stock Unit Awards (6)	All Other Compensation (7)	Total
Jirka Rysavy (1)	2017	$478,293	$475,000	$—	$ 1,800	$955,093
Chairman, Chief Executive	2016	$466,336	$712,500	$1,388,359	$ 1,800	$2,568,995
Officer and Director	2015	$464,423	$303,430	$—	$ 1,500	$769,353
Brad Warkins (2)	2017	$334,842	$200,000	$—	$ 3,300	$538,142
President and Chief	2016	$306,115	$127,962		$ 3,300	$1,305,395
Operating Officer				$868,018		
Paul Tarell (3)	2017	$273,386	$159,375	$—	$ 3,300	$436,061
Chief Financial Officer	2016	$245,082	$105,269	$729,831	$ 3,300	$1,083,482
Jaymi Bauer (4)	2017	$313,909	$187,500	$—	$ 3,300	$504,709
Chief Marketing Officer	2016	$290,082	$126,923	$809,578	$ 3,300	$1,229,883

(1) Mr. Rysavy does not receive any compensation for his service as a director. Further information about Mr. Rysavy's compensation is provided below under the heading "Compensation of Mr. Rysavy."
(2) Mr. Warkins became President on July 1, 2016.
(3) Mr. Tarell became Chief Financial Officer on July 1, 2016.
(4) Ms. Bauer became Chief Marketing Officer on July 1, 2016.

(5) The Salary and Bonus columns represent amounts when earned and, because of the timing of payments, do not represent amounts paid during each presented year. The annual salary for each named executive officer as of December 31, 2017 was $480,000 for Mr. Rysavy (see footnote 1); $342,400 for Mr. Warkins; $282,850 for Mr. Tarell; and $321,000 for Ms. Bauer. Further information about Mr. Rysavy's compensation is provided below under the heading "Compensation of Mr. Rysavy." Bonuses are generally given at the discretion of our compensation committee and are typically paid between February and June of the year following the year earned. Bonus amounts in 2016 include additional transaction bonuses approved by our compensation committee related to the sale of the Gaiam Brand Business of $409,700 for Mr. Rysavy.

(6) The amounts in the Option and Restricted Stock Unit Awards column reflect the grant date fair value of new awards or modifications to existing awards. Mr. Rysavy has requested that he not be granted any options. Mr. Rysavy was granted an award under the Gaia, Inc. 2009 Long-Term Equity Incentive Plan of 87,096 restricted stock units in July 2016 and 96,283 restricted stock units in November 2016. Restricted stock units previously granted in February 2015 under a plan adopted by a subsidiary of Gaia to Mr. Warkins in the amount of 67,204 units, to Mr. Tarell in the amount of 46,370 units and to Ms. Bauer in the amount of 56,003 units were approved by the compensation committee in February 2015 to be exchanged in July 2016 for the equivalent amount of restricted stock units under the Gaia, Inc. 2009 Long-Term Equity Plan. In November 2016, the compensation committee approved restricted stock unit awards under the Gaia, Inc. 2009 Long-Term Equity Plan to Mr. Warkins in the amount of 64,684 units, to Mr. Tarell in the amount of 50,000 units, and to Ms. Bauer in the amount of 50,675 units. See the following table for additional information about the restricted stock unit awards. Assumptions used in the calculation of the amounts are included in Note 8 to our consolidated financial statements for the year ended December 31, 2017 included in our Annual Report on Form 10-K.

(7) All Other Compensation includes a $1,800 cell phone allowance in 2017 and 2016, respectively for Mr. Rysavy. The amount for Mr. Warkins includes $1,500 of 401(k) company matching contributions and a $1,800 cell phone allowance in 2017 and 2016. The amount for Mr. Tarell includes $1,500 of 401(k) company matching contributions and a $1,800 cell phone allowance in 2017 and 2016. The amount for Ms. Bauer includes $1,500 of 401(k) company matching contributions and a $1,800 cell phone allowance in 2017 and 2016.

Grants of Plan-Based Awards

There were no awards made to our executive officers named above in the Summary Compensation Table during the year ended December 31, 2017.

Outstanding Equity Awards at Fiscal Year-End Table

The following table includes certain information as of December 31, 2017 with respect to unexercised options and restricted stock units previously awarded to our executive officers named above in the Summary Compensation Table.

	Option and Restricted Stock Unit Awards			
Name	Number of Securities Underlying Unexercised Options and Restricted Stock Units (#) Exercisable (1)	Number of Securities Underlying Unexercised Options and Restricted Stock Units (#) Unexercisable (1)	Option Exercise Price (1) (2)	Option and Restricted Stock Unit Expiration Date (1)
Jirka Rysavy	—	87,096	—	7/1/26
	—	96,283	—	11/1/26
Brad Warkins	20,000	5,000	$ 6.18	10/30/23
	37,000	13,000	$ 7.71	11/4/24
	15,000	—	$ 5.00	6/2/25
	—	67,204	—	7/1/26
	—	64,864	—	11/1/26
Paul Tarell	18,600	5,400	$ 5.03	9/16/23
	—	46,370	—	7/1/26
	—	50,000	—	11/1/26
Jaymi Bauer	19,200	10,800	$ 7.82	6/16/24
	—	56,003	—	7/1/26
	—	50,675	—	11/1/26

(1) This table reflects the status of option and restricted stock unit awards granted pursuant to the Gaia, Inc. 2009 Long-Term Incentive Plan as of December 31, 2017. The options vest and become exercisable at 2% per month over the 50 months beginning either (i) in the 11th month after date of grant, or (ii) in the first full month after the date of grant. The exercise price of the options is equal to or greater than the closing stock market price of our Class A common stock on the date of grant. Options granted during 2011 and thereafter expire ten years from the date of grant. The restricted stock units granted in February 2016 will vest on March 16, 2020, provided that the holder is still an employee or director of Gaia on that date. Restricted stock units granted in November 2016 will vest on March 31, 2022, provided that the holder is still an employee or director of Gaia on that date.

(2) During 2009, certain option awards originally granted prior to 2009 for Mr. Warkins were repriced to $5.00 per share.

Option Exercises and Stock Vested Table

The following table includes certain information with respect to options exercised during the year ended December 31, 2017 by any of our executive officers named above in the Summary Compensation Table. None of the restricted stock units held by such executive officers vested during the year ended December 31, 2017.

Name	Option and Restricted Stock Units Number of Shares Acquired on Exercise	Value Realized on Exercise
Paul Tarell	6,000	$ 37,320

Generally Available Benefit Programs

We maintain a tax-qualified 401(k) Plan, which provides for broad-based employee participation. Our executive officers are eligible to participate in the 401(k) Plan on the same basis as other employees. On April 1, 2007, we started making matching contributions to the 401(k) Plan. As of that date, under the 401(k) Plan, all of our employees are eligible to receive matching contributions from us, and this matching contribution equals $0.50 for each dollar contributed by an employee up to a maximum annual matching benefit of $1,500 per person. The matching contribution is calculated and paid on a payroll-by-payroll basis subject to applicable Federal limits. We do not provide defined benefit pension plans or defined contribution retirement plans to our executives or other employees other than our 401(k) Plan described herein.

In 2017, our executive officers were eligible to receive the same health care coverage that is generally available to our other employees. We also offered a number of other benefits to our named executive officers pursuant to benefit programs that provide for broad-based employee participation. These benefits programs included medical, dental and vision insurance, long-term and short-term disability insurance, life and accidental death and dismemberment insurance, health and dependent care flexible spending accounts, business travel insurance, wellness programs (including chiropractic, massage therapy, acupuncture, and fitness classes), relocation/expatriate programs and services, educational assistance, and certain other benefits.

Our compensation committee believes that our 401(k) Plan and the other generally available benefit programs allow us to remain competitive for employee talent, and that the availability of the benefit programs generally enhances employee productivity and loyalty to us. The main objectives of our benefits programs are to give our employees access to quality healthcare, financial protection from unforeseen events, assistance in achieving retirement financial goals, and enhanced health and productivity, in full compliance with applicable legal requirements. Typically, these generally available benefits do not specifically factor into decisions regarding an individual executive officer's total compensation or Gaia, Inc. 2009 Long-Term Incentive Plan award package.

Stock Option and Restricted Stock Unit Grant Timing Practices

During 2017, our compensation committee and our board consistently applied the following guidelines for stock option grant and timing practices.

- New Employees: stock option grants to new hires are effective on the first day of the new employee's employment with us or upon approval by our compensation committee, and the exercise price for the options is set at the closing price of our Class A common stock on that date.
- Existing Employees: stock option and restricted stock unit grants to existing employees are effective on the date that our compensation committee approves the grant, and the exercise price for the options is set at or above the closing price of our Class A common stock on that date.

Our directors, officers, and managers are required to sign a confidentiality agreement and, upon receiving a stock option grant or a restricted stock unit award, a two-year non-compete agreement commencing with the date they leave our company.

Compensation of Mr. Rysavy

The board-approved annual base salary for Mr. Rysavy for 2017 was $480,000. The board-approved annual base salary for Mr. Rysavy for 2016 and 2015 was $475,000. Mr. Rysavy served as our Chief Executive Officer until March 2009 and resumed service as our Chief Executive Officer in July 2016. He continues to serve as our Chairman and Chief Executive Officer and is our largest shareholder. During the ten years prior to 2014, at Mr. Rysavy's request, he was not given any bonuses or awarded any stock options.

In 2016, our compensation committee granted Mr. Rysavy 87,096 restricted stock units contingent on the closing of the Gaiam Brand Business sale. When the closing occurred on July 1, 2016, the restricted stock units were granted. Each restricted stock unit represents the right to receive one share of our Class A common stock and will vest on March 16, 2020, provided that Mr. Rysavy is still an employee or director of Gaia on that date. On November 1, 2016, our compensation committee granted Mr. Rysavy 96,283 restricted stock units, which will vest on March 31, 2022, subject to Mr. Rysavy's continued service as an employee or director of Gaia.

Our compensation committee and our board of directors strongly believe that Mr. Rysavy's salary and overall compensation level are modest given the importance of Mr. Rysavy to our future, his previous experience and business accomplishments and the market value of his skill set as an executive.

Pay Ratio

SEC rules newly require companies to disclose the ratio of the total annual compensation of the principal executive officer to the median employee's total annual compensation. We identified the median employee by examining the 2017 total cash compensation for all individuals, excluding our CEO, who were employed by us on December 23, 2017, the last day of our payroll year. We included all employees. We did not make any assumptions, adjustments, or estimates with respect to total cash compensation, and we did not annualize the compensation for any full-time employees that were not employed by us for all of 2017. We believe the use of total cash compensation for all employees is a consistently applied compensation measure because we do not widely distribute annual equity awards to employees.

After identifying the median employee based on total cash compensation, we calculated annual total compensation for such employee using the same methodology we use for our named executive officers as set forth in the 2017 Summary Compensation Table above. The total annual compensation of the median employee for 2017 was $63,130. The total annual compensation including bonuses for our CEO for 2017 was $955,093. The ratio of CEO pay to the median employee pay for 2017 was approximately 15.

Accounting and Tax Considerations

In designing our compensation programs, we take into consideration the accounting and tax effect that each element will or may have on us and the executive officers and other employees as a group. We aim to keep the expense related to our compensation programs as a whole within certain affordability levels. When determining how to apportion between differing elements of compensation, our goal is to meet our objectives while maintaining relative cost neutrality. For instance, if we increase benefits under one program resulting in higher compensation expense, we may seek to decrease costs under another program in order to avoid a compensation expense that is above the level then deemed affordable under existing circumstances. With respect to stock option and restricted stock awards, we recognize a charge to earnings for accounting purposes equally from the grant date until the end of the vesting period.

We believe we have structured our current compensation program to comply with Internal Revenue Code Sections 162(m) and 409A. Under Section 162(m), a limitation is placed on tax deductions of any publicly-held corporation for individual compensation to certain executives of such corporation exceeding $1,000,000 in any taxable year, except the deduction limitation historically did not apply to performance-based compensation that met certain requirements. As part of the tax reform legislation passed in December 2017, the exemption from Section 162(m)'s deduction limit for performance-based compensation has been repealed, effective for taxable years beginning after December 31, 2017, such that compensation paid to covered executive officers in excess of $1,000,000 will not be deductible unless it qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017. If an executive is entitled to nonqualified deferred compensation benefits that are subject to Section 409A, and such benefits do not comply with Section 409A, then the benefits are taxable in the first year they are not subject to a substantial risk of forfeiture. In such case, the service provider is subject to regular federal income tax, interest and an additional federal income tax of 20% of the benefit includible in income. During 2017, we do not believe we had covered employees with compensation paid in excess of the Section 162(m) tax deduction limit had the new rules been in effect during 2017.

Compensation Committee Interlocks and Insider Participation

During 2017, our compensation committee was comprised of Ms. Frank (chairperson), Mr. Maisel and Mr. Sutherland. None of the members of our compensation committee has at any time been an officer or employee of our company or has any interlocking relationships that are subject to disclosure under the rules of the Securities and Exchange Commission relating to compensation committees.

Compensation Committee Report

Our compensation committee has reviewed and discussed with management the Compensation Discussion and Analysis for 2017. Based on the review and discussions, our compensation committee recommended to the board, and the board has approved, that the Compensation Discussion and Analysis be included in our annual report on Form 10-K for the fiscal year ended December 31, 2017 and this proxy statement. This report is submitted by our compensation committee.

Compensation Committee

Kristin Frank, Chairperson
David Maisel
Paul Sutherland

This Compensation Committee Report shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically request that this information be treated as "soliciting material" or specifically incorporate this information by reference into a document filed under the Securities Act or the Securities Exchange Act.

AUDIT COMMITTEE REPORT

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, for the preparation of our consolidated financial statements, and for the public reporting process. Our audit committee, on behalf of our board of directors, oversees management's conduct of internal control processes and procedures for financial reporting designed to ensure the integrity and accuracy of our consolidated financial statements and to ensure that we are able to timely record, process and report information required for public disclosure. In connection with the 2017 audit, our audit committee has:

- reviewed and discussed with management our audited consolidated financial statements for the fiscal year ended December 31, 2017 and the notes thereto;
- discussed with EKS&H LLLP, our independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 1301, "Communication with Audit Committees," as adopted by the Public Company Accounting Oversight Board;
- received the written disclosures and the letter from EKS&H LLLP required by applicable requirements of the Public Company Accounting Oversight Board regarding EKS&H LLLP's communications with the audit committee concerning independence, and has discussed with EKS&H LLLP its independence.
- recommended to our board of directors that our audited consolidated financial statements for the year ended December 31, 2017 be included in our Annual Report on Form 10-K for 2017 for filing with the Securities and Exchange Commission in reliance upon (1) our audit committee's reviews and discussions with management and EKS&H LLLP, and (2) the receipt of an opinion from EKS&H LLLP, dated February 26, 2018, stating that our consolidated financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each year in the three-year period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Audit Committee

Wendy Schoppert, Chairperson
Chris Jaeb
Paul Sutherland

This Audit Committee Report shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Securities Exchange Act, except to the extent that we specifically request that this information be treated as "soliciting material" or specifically incorporate this information by reference into a document filed under the Securities Act or the Securities Exchange Act.

DISCLOSURE OF INDEPENDENT ACCOUNTANT FEES

The following table presents fees for professional services rendered by EKS&H LLLP for the years ended December 31, 2017 and 2016:

Audit and Non-Audit Fees (in thousands)	2017	2016
Audit fees (1)	$190	$194
Audit-related fees (2)	12	22
Tax fees (3)	—	10
Total	$202	$226

(1) Audit fees are fees that we paid for the audit of our annual consolidated financial statements included in our annual report on Form 10-K and review of unaudited consolidated financial statements included in our quarterly reports on Form 10-Q; for the audit of our internal control over financial reporting; for services that are normally provided by the auditor in connection with business combination and statutory or regulatory filings or engagements; and all costs and expenses in connection with the above.

(2) Audit-related fees consisted of accounting consultations and for services related to the separation of Gaiam Brand Business and our subscription business and all costs and expenses in connection with those consultations and services.

(3) Tax fees represent fees charged for services for tax advice, tax compliance, and tax planning.

In accordance with the policies of our audit committee and legal requirements, all services to be provided by our independent registered public accounting firm are pre-approved by our audit committee. Pre-approved services include audit services, audit-related services, tax services and other services. In some cases, pre-approval is provided by the full audit committee for up to a year, and such services relate to a particular defined task or scope of work and are subject to a specific budget. In other cases, the chairman of our audit committee has the delegated authority from our audit committee to pre-approve additional services, and such action is then communicated to the full audit committee at the next audit committee meeting. To avoid certain potential conflicts of interest, the law prohibits a publicly traded company from obtaining certain non-audit services from its auditing firm. If we need such services, we obtain them from other service providers.

EKS&H LLLP is currently engaged to provide auditing services through August 2018. The audit committee has not yet considered or selected an independent registered public accounting firm to provide auditing services for the remainder of 2018. Representatives of EKS&H LLLP are expected to be present at our 2018 annual meeting of shareholders and will have an opportunity to make a statement if they desire to do so, and to respond to appropriate questions.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Any related party transaction is reviewed by disinterested members of management and, if material, by disinterested members of our board or a committee thereof to ensure that the transaction reflects terms that are at least as favorable for us as we would expect in a similar transaction negotiated at arm's length by unrelated parties.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act requires our directors, officers and persons who own more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission reports of ownership and changes in ownership of our Class A common stock and other equity securities of our company. Our directors, officers and 10% holders are required by Securities and Exchange Commission regulations to furnish us with copies of all of the Section 16(a) reports they file.

Based solely upon a review of the copies of the forms furnished to us, and the representations made by the reporting persons to us, the following persons failed to file on a timely basis the following reports required by Section 16(a) during the fiscal year ended December 31, 2017: Chris Jaeb filed late reports related to acquisitions of Class A common stock for shares purchased on the open market and Keyur Patel failed to file a Form 3 upon his election to the board (no shares owned).

SHAREHOLDER PROPOSALS

We have scheduled our 2019 annual meeting of shareholders for May 2, 2019.

Shareholders may submit proposals on matters appropriate for shareholder action at our annual meetings consistent with regulations adopted by the Securities and Exchange Commission and our Bylaws. For shareholder proposals to be considered for inclusion in our proxy statement and proxy card relating to our 2019 annual meeting of shareholders pursuant to Rule 14a-8 promulgated under the Securities Exchange Act, they must be received by us not later than 5:00 p.m. Mountain Standard Time on November 23, 2018. Such proposals must contain specified information, including, among other things, information as would be required to be included in a proxy statement under Securities and Exchange Commission rules.

In addition, under the terms of our Bylaws, shareholders who desire to present a proposal for action or to nominate directors (other than proposals to be included in our proxy statement and proxy card pursuant to Rule 14a-8 promulgated under the Securities Exchange Act) at our 2019 annual meeting of shareholders must provide notice in writing of such proposal or nomination to us no earlier than January 12, 2019 and no later than 5:00 p.m. Mountain Standard Time on February 6, 2019. Shareholder notices must contain the information required by our Bylaws.

All proposals or other notices should be addressed to us at 833 West South Boulder Road, Louisville, Colorado 80027, Attention: Corporate Secretary, Gaia, Inc.

If we do not have notice of a matter to come before our 2019 annual meeting of shareholders before the deadlines described above, your proxy card for such annual meeting will confer discretionary authority to vote on such matter.

DELIVERY OF MATERIALS

Securities and Exchange Commission rules permit a single set of annual reports, proxy statements or Notice of Internet Availability of Proxy Materials, as applicable, to be sent to any household at which two or more shareholders reside if they appear to be members of the same family. Each shareholder continues to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information shareholders receive and reduces mailing and printing expenses. A number of brokerage firms have instituted householding. In accordance with a notice that is being sent to certain beneficial shareholders (who share a single address) only one annual report, proxy statement or Notice of Internet Availability of Proxy Materials, as applicable, will be sent to that address unless any shareholder at that address gave contrary instructions. Upon written or oral request, we will promptly deliver a copy of such materials to any shareholder requesting the same. However, if any such beneficial shareholder residing at such an address wishes to receive a separate annual report, proxy statement or Notice of Internet Availability of Proxy Materials, as applicable, or if any shareholders who share an address are receiving multiple copies of annual reports, proxy statements or Notices of Internet Availability of Proxy Statements and wish to receive a single set of annual reports, proxy statements or Notice of Internet Availability of Proxy Materials, as applicable, in the future, please contact Broadridge Financial Solutions, Inc. in writing by mailing to Broadridge Financial Solutions, Inc., Attention: Broadridge Householding Department, 51 Mercedes Way, Edgewood, New York 11717, or calling (800) 542-1061. You can also contact us by calling (303) 222-3600.

We will provide without charge to any beneficial owner of our Class A common stock as of the record date a copy of our Annual Report on Form 10-K, including the financial statements and the financial statement schedules, upon written or oral request at the following address and telephone number: Gaia, Inc., 833 West South Boulder Road, Louisville, Colorado 80027, Attention: Corporate Secretary, (303) 222-3600. We will also provide a list briefly describing any exhibits not contained in our Annual Report on Form 10-K and will furnish a copy of any exhibit not contained therein to a requesting shareholder upon payment of a fee to reimburse our reasonable expenses in furnishing such exhibit.

COMMUNICATION WITH THE BOARD

Shareholders may communicate with our board of directors, including the non-management directors, by sending a letter to the Gaia Board of Directors, c/o Corporate Secretary, Gaia, Inc., 833 West South Boulder Road, Louisville, Colorado 80027. Our corporate secretary has the authority to disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications. If deemed an appropriate communication, our corporate secretary will submit your correspondence to the chairman of the board or to any specific director to whom the correspondence is directed.

OTHER MATTERS

Our management does not intend to present, and has no information as of the date of preparation of this proxy statement that others will present, any business at the annual meeting, other than business pertaining to the matters set forth in the notice of annual meeting and this proxy statement. However, if other matters requiring the vote of the shareholders are properly brought before the annual meeting, it is the intention of the person named in the enclosed proxy to vote the proxies held by him in accordance with his best judgment on such matters.

YOUR VOTE IS IMPORTANT

WE URGE YOU TO DATE, SIGN AND PROMPTLY RETURN YOUR PROXY, OR TO VOTE BY THE INTERNET OR BY TELEPHONE PROMPTLY, SO THAT YOUR SHARES MAY BE VOTED IN ACCORDANCE WITH YOUR WISHES.