

PROXIM WIRELESS CORPORATION

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 16, 2012

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Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of Proxim Wireless Corporation, a Delaware corporation (“Proxim” or the “Company”), to be held on May 16, 2012, at 9:00 a.m. local time, at Proxim’s principal executive offices at 1561 Buckeye Drive, Milpitas, CA 95035.

At this meeting, you will be asked to vote upon the following matters:

1. To elect five directors to hold office until the next annual meeting of stockholders; and
2. To transact such other business as may properly come before the meeting and at any adjournment of the meeting.

Stockholders of record at the close of business on March 26, 2012 will be entitled to vote at this meeting and at any adjournment of the meeting.

Please mark, sign, date, and return the enclosed form of proxy as promptly as possible to assure your representation at the meeting.

By Order of the Board of Directors

/s/ David L. Renauld

April 11, 2011

David L. Renauld, Secretary

**PROXIM WIRELESS CORPORATION**  
1561 BUCKEYE DRIVE  
MILPITAS, CA 95035

**MEETING INFORMATION STATEMENT  
ANNUAL MEETING OF STOCKHOLDERS**

We are furnishing this meeting information statement to our stockholders in connection with the solicitation by our board of directors of proxies for use at the annual meeting of stockholders to be held on Wednesday, May 16, 2012 at 9:00 a.m. at 1561 Buckeye Drive, Milpitas, CA 95035 and any adjournment thereof. This meeting information statement and accompanying proxy card will first be mailed to all stockholders entitled to vote at the meeting on or about April 11, 2012.

**Record Date and Outstanding Shares**

The board of directors has fixed the close of business on March 26, 2012 as the record date for determining stockholders entitled to notice of and to vote at the annual meeting. Accordingly, only holders of record of shares of our common stock and our voting preferred stock (our Series A Convertible Preferred Stock) at the close of business on that date will be entitled to notice of and to vote at the annual meeting and any adjournment thereof.

At the close of business on March 26, 2012, 234,536 shares of our common stock were outstanding and eligible to vote at the annual meeting. In addition to those shares, we expect that an additional 552 shares of our common stock will be issued when the final former Terabeam Corporation and Telaxis Communications Corporation stockholders convert their shares of those companies into shares of our common stock. Since those additional shares are committed to enable those conversions, we generally treat those additional shares as outstanding for our internal calculation purposes and also in this document (except when describing the quorum and the number of shares entitled to vote at the annual meeting). We believe this treatment gives a more accurate description of our capitalization. Therefore, including these additional shares, at the close of business on March 26, 2012, 235,088 shares of our common stock are treated as outstanding in this document (except when describing the quorum and the number of shares entitled to vote at the annual meeting).

At the close of business on March 26, 2012, 2,500,000 shares of our Series A Convertible Preferred Stock were outstanding and eligible to vote at the annual meeting.

Also at the close of business on March 26, 2012, 1,250,000 shares of our Series B Non-Convertible Preferred Stock were outstanding. These shares are not eligible to vote at the annual meeting.

**Quorum and Votes Required**

The holders of shares of our common stock and the holders of shares of our Series A Convertible Preferred Stock generally will vote together as a single class on the matters submitted to Proxim's stockholders at the annual meeting. Each holder of record of shares of our common stock on the record date is entitled to cast one vote per share, in person or by properly executed proxy, on any matter that may properly come before the annual meeting. Each holder of record of shares of our Series A Convertible Preferred Stock on the record date is entitled to cast 0.1333 votes per share of that preferred stock, in person or by properly executed proxy, on any matter that may properly come before the annual meeting.

Therefore, holders of our common stock in the aggregate are entitled to cast 234,536 votes, and holders of our Series A Convertible Preferred Stock in the aggregate are entitled to cast 333,333 votes, for a total of 567,869 votes entitled to be cast at this annual meeting.

The presence in person or by properly executed proxy of the holders of a majority in voting power of our common stock and Series A Convertible Preferred Stock, treated as a single class, outstanding on the record date is necessary and sufficient to constitute a quorum at the annual meeting. In general, we will treat votes withheld from the nominees for election of directors and any abstentions as present or represented for purposes of determining the existence of a quorum. We will not treat broker non-votes (if any) as present or represented for purposes of determining the existence of a quorum.

Each director will be elected at the annual meeting by a plurality of the votes cast by the stockholders entitled to vote at the election. Votes withheld from the nominees and any broker non-votes will not affect the outcome of the vote on this proposal.

The board of directors believes that the holders of our Series A Convertible Preferred Stock will vote **FOR** the proposal to elect the director-nominees. Because the holders of our Series A Convertible Preferred Stock collectively own and are expected to vote more than a majority of our stock outstanding on the record date for this annual meeting and entitled to vote on this proposal (as measured by voting power), we expect that the proposal to elect the director-nominees will be approved by our stockholders regardless of how our other stockholders vote. More information about the holders of our Series A Convertible Preferred Stock is contained below under the heading "Material Relationships and Related Party Transactions."

### **Proxy Voting and Revocation**

All proxies received pursuant to this solicitation will be voted except as to matters where authority to vote is specifically withheld. Where a choice is specified as to a given proposal, the proxies will be voted in accordance with the specification. If no choice is specified, the persons named in the proxies intend to vote **FOR** the election of the nominees for director.

The board of directors does not know of any matters, other than the matter described in this document, which are expected to be presented for consideration at the annual meeting. If any other matters are properly presented for consideration at the annual meeting, the persons named in the accompanying proxy will have discretion to vote on such matters in accordance with their best judgment.

Stockholders who execute proxies may revoke them at any time before such proxies are voted by filing with our Secretary, at or before the annual meeting, a written notice of revocation bearing a later date than the proxy or by executing and delivering to our Secretary at or before the annual meeting later-dated proxies relating to the same shares. Attending the annual meeting by itself will not have the effect of revoking a proxy unless the stockholder so attending so notifies our Secretary in writing at any time prior to the voting of the proxy (voting by ballot at the annual meeting will revoke any previous proxy). Our Secretary's name and address are David L. Renaud, 881 North King Street, Suite 100, Northampton, MA 01060.

### **Solicitations**

Proxies are being solicited by and on behalf of our board of directors. We will bear the entire cost of solicitation of proxies. In addition to solicitation by mail, our directors, officers, and regular employees (who will not be specifically engaged or compensated for such services) may solicit proxies by telephone or otherwise. Arrangements will be made with brokerage houses and other custodians, nominees, and fiduciaries to forward proxies and proxy materials to their clients who beneficially own shares of our common stock, and we will reimburse them for their expenses.

## **PROPOSAL 1 ELECTION OF DIRECTORS**

Under our by-laws, the board of directors consists of one or more members, the number of which is determined from time to time by the board. The board has established the current number of directors as five. The

board may increase the size of the board in the future and add directors to fill the newly-created positions. Each of our directors is elected at each annual meeting of stockholders.

We currently have five members on our board of directors. The five current directors are J. Michael Gullard, Alan B. Howe, Toru Kashima, Robert M. Pons, and David J. Porte.

The board of directors has nominated Lee M. Gopadze, J. Michael Gullard, Alan B. Howe, Toru Kashima, and David J. Porte for election as directors of the Company.

These five nominees constitute the only nominees for election. Each of these nominees has agreed to serve as a director if elected at the annual meeting.

It is intended that the persons named on the proxy card as proxies will vote shares of our common stock and voting preferred stock so authorized for the election of each of these five nominees to the board of directors. Proxies may not be voted for more than five nominees. The board of directors expects that each of these nominees will be available for election; but if any of them should become unavailable, it is intended that the proxy would be voted for another nominee who would be designated by the board of directors, unless the number of directors is reduced.

The term of office of each director will continue until the next annual meeting of our stockholders or until his successor has been elected and qualified.

Messrs. Gullard and Howe were originally nominated for election as a director of the Company on the recommendation of Lloyd I. Miller, III, our largest stockholder.

Mr. Kashima is being nominated at the request of SRA OSS Inc., our second largest stockholder. In connection with its August 2009 investment in Proxim, SRA OSS was granted the right to request the Company to nominate one representative of SRA for election to Proxim's board of directors as part of the board's slate of nominees for election at annual meetings of Proxim's stockholders. SRA OSS has requested the Company to nominate Mr. Kashima for election to Proxim's board of directors, and the Company has done so.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE FIVE NOMINEES DESCRIBED ABOVE.**

The biographical summaries of the nominees for director of Proxim appear below under the heading "Board of Directors and Executive Officers."

**BOARD OF DIRECTORS AND EXECUTIVE OFFICERS**

Our current directors and executive officers, and the nominee for election as a director who is not currently a director, and their ages as of March 26, 2012 are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Lee M. Gopadze .....	65	President and Chief Executive Officer and Nominee for Director
Steve Button .....	48	Chief Financial Officer and Treasurer
David L. Renauld .....	46	Vice President, Corporate Affairs, General Counsel, and Secretary
Michael Foster .....	56	Senior Vice President Worldwide Sales
Alan B. Howe .....	50	Chairman of the Board of Directors
J. Michael Gullard .....	67	Director
Toru Kashima .....	59	Director
Robert M. Pons.....	55	Director
David J. Porte .....	48	Director

Lee M. Gopadze has been our President and Chief Executive Officer since January 2011. Prior to that, Mr. Gopadze was with Covad Communications for six years, most recently serving as the Senior Vice President and General Manager for Covad's Wholesale Business Division where he oversaw all sales, marketing, product management, and operations for that division. Mr. Gopadze also held similar positions with Covad's Branded Business and Wireless Divisions during his 6-year tenure there. Mr. Gopadze began his career in wireless communications in 1981. He has held a variety of senior executive positions in Marketing, Sales and Operations at the wireless subsidiaries of Metromedia Telecommunications, Southwestern Bell, and AirTouch Communications. From 1997 thru early 2000, Lee held the positions of Corporate Vice President - Marketing & Sales, Senior Vice President - Network Operations, and Senior Vice President - Corporate Planning & Development at Metricom Inc. In 2000, Mr. Gopadze left Metricom to co-found SkyRiver Communications Inc., a license-exempt broadband wireless carrier and served as its President and Chief Executive Officer. Mr. Gopadze holds a B.A. from the University of California at Los Angeles and an M.A. from the University of Southern California.

Steve Button has been our Chief Financial Officer and Treasurer since October 2011. He has over 20 years of experience in finance, treasury, planning, and analysis in both public and private sectors with an emphasis in the wireless industry. He is responsible for the company's worldwide financial operations. Prior to joining Proxim, he was the Vice President of Finance and Treasurer at Covad Communications, a national provider of voice, data and wireless services. Prior to Covad he was the CFO for NextWeb, one of the nation's largest fixed wireless broadband providers, acquired by Covad Communications in 2006. Steve's other positions include Vice President of Finance and Controller at Worldwide Wireless Networks and Global Pacific Internet which were both pioneers in the wireless service provider industries. Mr. Button began his career at Coopers and Lybrand after receiving his Bachelor of Sciences Degree in Accounting from Oral Roberts University.

David L. Renauld has been our Vice President, Corporate Affairs, General Counsel, and Secretary since May 2005. From November 1999 to May 2005, he was our Vice President, Legal and Corporate Affairs and Secretary. From January 1997 to November 1999, he was an attorney with Mirick, O'Connell, DeMallie & Lougee, LLP, a law firm in Worcester, Massachusetts. From September 1991 to December 1996, he was an attorney with Richards, Layton & Finger, a law firm in Wilmington, Delaware. Mr. Renauld holds a B.A. in mathematics/arts from Siena College and a J.D. from Cornell University.

Michael Foster has been our Senior Vice President Worldwide Sales since January 2011. He has been exclusively focused in the wireless business since 1993 and has been heavily involved in wireless since 1987. From 2009 to January 2011, he was Principal at Foster & Associates providing sales and marketing consulting services. From 2008 to 2009, he was Vice President, Sales of PureWave Networks. From 2004 to 2007, he was Vice President, Sales and Customer Service of NextWave Wireless. His earlier experience includes sales and sales management positions with BridgeWave Communications, P-Com, and Alactel. Mr. Foster holds a B.S. in Business Administration from San Diego State University.

Alan B. Howe has been a director since May 2007 and Chairman of the Board of Directors since March 2008. Mr. Howe is currently Managing Partner of Broadband Initiatives, LLC, a privately-held boutique consulting firm focused primarily on the wireless, telecom and technology sectors, and oversees the firm's operations. Mr. Howe also serves as Managing Director at B. Riley & Co., LLC in their Corporate Governance Advisory Services Group in Los Angeles, under a consulting agreement between Broadband Initiatives, LLC and B. Riley & Co., LLC. Mr. Howe is also a member of the board of directors of Altigen Communications (OTCQX: ATGN), Chairman of Ditech Networks (Nasdaq: DITC), and Chairman of Selectica, Inc. (Nasdaq: SLTC). In addition, Mr. Howe serves on a number of private boards. Mr. Howe was a board member of Kitty Hawk, Inc., a company which commenced a Chapter 11 bankruptcy reorganization proceeding in October 2007. From the period of May of 2005 to October of 2008, Mr. Howe also served as Vice President of Strategic Development for Covad Communications Group, Inc., a nationwide provider of integrated voice and data communications. From April 1995 to April 2001, Mr. Howe served as the Vice President of Finance and Corporate Development and Chief Financial Officer of Teletrac, Inc. Previously, Mr. Howe worked in several positions with Sprint Corporation, including Director of Corporate Development, and as Assistant Vice President for Manufacturers Hanover Trust (now JP Morgan). Mr. Howe holds a B.S. in Business Administration and Marketing from the University of Illinois and an MBA in Finance from Indiana University's Kelley Graduate School of Business. Mr. Howe was originally recommended to be a member of our board of directors by Lloyd I. Miller, III, our largest stockholder.

J. Michael Gullard has been a director since November 2007. Since 1984, he has been General Partner of Cornerstone Management, a company he founded which focuses on providing hands-on investing, strategic focus and direction for technology companies primarily in software and data communications. From 1979 until 1984, he held various positions at Telecommunications Technology Inc., a manufacturer of microprocessor controlled telecommunications test equipment. From 1972 until 1979, he held various financial and operational management positions with Intel Corporation, a semiconductor manufacturer. Mr. Gullard is a member of the board of directors of Ditech Networks, JDA Software Group, Inc., Planar Systems, Inc., and Selectica, Inc. and Chairman of the board of directors of Dyntek, Inc. Mr. Gullard holds a B.A. in economics and an M.B.A. in business, both from Stanford University. Mr. Gullard was originally recommended to be a member of our board of directors by Lloyd I. Miller, III, our largest stockholder.

Toru Kashima has been a director since May 2011. Since April 2003, he has been President, Chief Executive Officer, and Chairman of SRA Inc. and SRA Holdings, Inc. Our significant stockholder SRA OSS Inc. is a wholly owned subsidiary of SRA Inc. Mr. Kashima has been nominated at the request of SRA OSS Inc.

Robert M. Pons has been a director since May 2011. He is Chairman of Livewire Mobile, a mobile content platform for wireless carriers. From January 2008 to January 2011, he was Senior Vice President of Capital Markets for TMNG, a professional services firm catering to the telecommunications and media industries. From January 2003 to April 2007, he was President and Chief Executive Officer of Uphonia/Smartserv, which developed wireless applications for carriers. Mr. Pons is also on the board of directors of Network-1.

David J. Porte has been a director since May 2011. Since April 2010, he has been Chief Operations Officer of Telecom Global Inc., which owns and operates a global portfolio of telecommunications services and infrastructure companies focused on designing, building and operating wireless and terrestrial networks. The companies include LCC International, Inc., Wireless Facilities, Inc. (WFI) and Opticore Networks, Inc. He has also been Chairman of WFI for that same period. Since March 2011, he has also been President of Opticore. From June 2008 to April 2010, he was Chief Executive Officer of WFI prior to its purchase by Telecom Global. From October 2006 to May 2008, he was Vice President of Powerwave Technologies, a telecommunications equipment supplier. From March 2004 to August 2006, he was Chief Executive Officer of OpenCell Corporation, also a telecommunications equipment supplier.

There are no family relationships among our directors and executive officers.

### **The Board of Directors and Corporate Governance**

We have established corporate governance practices designed to serve the best interests of Proxim and its stockholders. We are in compliance with the currently applicable corporate governance requirements. We may make additional changes to our policies and procedures in the future to ensure continued compliance with developing standards in the corporate governance area.

Our board of directors has determined that each of J. Michael Gullard, Alan B. Howe, Toru Kashima, Robert M. Pons, and David Porte is an “independent director” as defined in the rules of the Nasdaq Stock Market (even though the rules of the Nasdaq Stock Market no longer apply to us). In making this determination, the board considered the fact that Messrs. Gullard and Howe were originally nominated for election as a director of the Company on the recommendation of Lloyd I. Miller, III, our largest stockholder. The board also considered the fact that Mr. Kashima was nominated for election as a director at the request of SRA OSS Inc. in connection with its investment in the Company and serves as the President, Chief Executive Officer, and Chairman of SRA Inc. and SRA Holdings, Inc., the parent company of SRA OSS Inc., a major stockholder of the Company. These five directors constitute all of our current directors.

Each member of our board of directors is elected each year at the annual meeting of stockholders for a one-year term of office. Our executive officers serve at the discretion of the directors.

## **Contacting the Board of Directors**

Stockholders interested in communicating directly with our board of directors, any committee of the board, the Chairman, the non-management directors as a group, or any specific director may do so by sending a letter to the Proxim Wireless Corporation Board of Directors, c/o Secretary, Proxim Wireless Corporation, 881 North King Street, Suite 100, Northampton, MA 01060. Our Secretary will review the correspondence and forward it to the Chairman of the Board, Chairman of the Audit Committee, Chairman of the Compensation Committee, Chairman of the Governance and Nominating Committee, or to any individual director, group of directors, or committee of the board to whom the communication is directed, as applicable, if the communication is relevant to our business and financial operations, policies, and corporate philosophies.

## **Attendance of Directors at Annual Meetings**

It is a policy of our board of directors that attendance of all directors at the annual meeting of stockholders is strongly encouraged but is not required. Our 2011 annual meeting of stockholders was attended by both of our current directors who were serving on our board at the time of the meeting.

## **Board of Director Meetings and Committees**

The board of directors meets on a regularly scheduled basis and holds special meetings as required. The board met ten times during 2011. None of our incumbent directors attended fewer than 75% of the total number of meetings of the board and committees on which such board member served in 2011 during the period he served as a director or member of the committees except for Mr. Kashima.

We have a standing Audit Committee, Compensation Committee, and Governance and Nominating Committee, each of which was established by the board of directors. Each of these committees operates under a written charter adopted by our board of directors defining their functions and responsibilities. Each of the charters for our Audit Committee, Compensation Committee, and Governance and Nominating Committee is available on our website at the following respective locations:

[http://www.proxim.com/downloads/corporate\\_governance/PRXM\\_WebDoc\\_3991.pdf](http://www.proxim.com/downloads/corporate_governance/PRXM_WebDoc_3991.pdf);

[http://www.proxim.com/downloads/corporate\\_governance/PRXM\\_WebDoc\\_3992.pdf](http://www.proxim.com/downloads/corporate_governance/PRXM_WebDoc_3992.pdf); and

[http://www.proxim.com/downloads/corporate\\_governance/PRXM\\_WebDoc\\_3993.pdf](http://www.proxim.com/downloads/corporate_governance/PRXM_WebDoc_3993.pdf).

Each of the current members of each of these committees is, and each of the members of each of these committees during 2011 was, independent as defined in the rules of the Nasdaq Stock Market.

The members of our Audit Committee during 2011 were Robert A. Wiedemer (Chair and member until May), Mr. Gullard (Chair beginning in May), Mr. Howe, and Mr. Pons (beginning in May). The members of our Audit Committee currently are Messrs. Gullard (Chair), Howe, and Pons. The Audit Committee held five meetings during 2011. The Audit Committee selects and engages our independent auditors, reviews and evaluates our audit and control functions, reviews the results and scope of the audit and other services provided by our independent auditors, and performs such other duties as may from time to time be determined by the board of directors. The board of directors has determined that each of Messrs. Gullard and Howe is an “audit committee financial expert” as defined in Item 407 of Securities and Exchange Commission Regulation S-K. The board made this determination after a qualitative assessment of each of their levels of knowledge and experience based on a number of factors, including formal education and work and other professional experience.

The members of our Compensation Committee during 2011 were Mr. Gerdelman (Chair and member until May), Mr. Porte (Chair and member beginning in May), Mr. Gullard, Mr. Kashima (beginning in May), Dr. Rao Papolu (until May), and Mr. Wiedemer (until May). The members of our Compensation Committee currently are Messrs. Porte (Chair), Gullard, and Kashima. The Compensation Committee held one meeting during 2011. The Compensation Committee reviews the compensation and benefits of our executive officers, recommends and approves stock option grants under our stock option plans (a shared power with the full board of directors), makes recommendations to the board of directors regarding compensation matters, and performs such other duties as may from time to time be determined by the board of directors.

The members of our Governance and Nominating Committee during 2011 were Mr. Gullard (Chair and member until May), Mr. Pons (Chair and member beginning in May), John W. Gerdelman (until May), and Mr. Howe. The members of our Governance and Nominating Committee currently are Messrs. Pons (Chair) and Howe. The Governance and Nominating Committee did not hold any meetings during 2011. The Governance and Nominating Committee recommends candidates for membership on the board of directors based on committee-established guidelines, consults with the Chairman of the board on committee assignments, considers candidates for the board of directors proposed by stockholders, periodically evaluates the processes and performance of the board, monitors and reports on developments in corporate governance, and performs such other duties as may from time to time be determined by the board of directors.

### Non-Management Directors' Compensation for Fiscal 2011

Name	Fees Paid in Cash	Stock Options (1)
John W. Gerdelman .....	\$12,187.50	- (2)
J. Michael Gullard .....	\$23,937.50	150 (3)
Alan B. Howe .....	\$30,500.00	150 (4)
Toru Kashima .....	-	-
Dr. Rao Papolu .....	-	-
Robert M. Pons.....	\$8,250.00	500
David J. Porte .....	\$7,125.00	500
Robert A. Wiedemer.....	\$15,937.50	- (2)

- (1) In 2011, each of Messrs. Gullard and Howe was granted fully-vested options to purchase 150 shares of our common stock at a per share exercise price of \$9.00 per share. In 2011, each of Messrs. Pons and Porte was granted options to purchase 500 shares of our common stock at a per share exercise price of \$9.00 per share, which options vested 1/3 of the original grant number on the date of grant and will vest as to an additional 1/3 of the original grant number on each of the first two anniversaries of the date of grant.
- (2) As of December 31, 2011, neither Mr. Gerdelman nor Mr. Wiedemer had any options outstanding to purchase any shares of our common stock.
- (3) In addition to the stock options granted in 2011, as of December 31, 2011, Mr. Gullard had vested options outstanding to purchase 800 shares of our common stock.
- (4) In addition to the stock options granted in 2011, as of December 31, 2011, Mr. Howe had vested options outstanding to purchase 950 shares of our common stock.

All of the director compensation in the foregoing table was made in accordance with our policy statement concerning the compensation of directors of Proxim who are not insiders. This policy statement was unanimously adopted by our board of directors on February 9, 2005. This policy statement sets out guidelines for compensation of our board members who are not employees or other insiders of Proxim. Any board member determined by the board to be an employee or other insider of Proxim does not receive any compensation pursuant to this policy statement.

The policy statement contemplates the following cash compensation:

- a \$17,000 annual retainer for serving on the board
- an additional \$9,000 annual retainer for serving as chairperson of the board
- an additional \$7,500 annual retainer for serving as chairperson of the Audit Committee of the board
- an additional \$4,000 annual retainer for serving as a non-chair member of the Audit Committee of the board
- an additional \$2,000 annual retainer for serving as chairperson of the Compensation Committee of the board
- an additional \$1,000 annual retainer for serving as a non-chair member of the Compensation Committee of the board
- an additional \$1,000 annual retainer for serving as chairperson of the Governance and Nominating Committee of the board
- an additional \$500 annual retainer for serving as a non-chair member of the Governance and Nominating Committee of the board



No additional compensation is paid for attending board or committee meetings. Directors are also entitled to reimbursement for expenses incurred to attend board and committee meetings held in person or otherwise incurred on our behalf.

The policy statement also contemplates the following equity compensation:

- for each new director elected or appointed to the board, a non-qualified stock option to purchase 500 shares of our common stock that vests in three equal annual installments beginning on the date of grant
- for each incumbent director, a fully vested, non-qualified stock option to purchase 150 shares of our common stock granted immediately following each annual meeting of stockholders, as long as the director has served at least one complete year before the date of the annual meeting and continues to serve as a director after the meeting

The exercise price for all stock options granted pursuant to this policy statement is to be the fair market value of our common stock on the date of grant.

In addition to the compensation described above, the policy statement contemplates that board members may be periodically granted special additional consideration, in cash or non-qualified stock options, in recognition of extraordinary demands, additional committee assignments, or other circumstances deserving of special consideration.

The policy statement may be altered at any time by the board of directors. The policy statement does not constitute a contract, and the terms of the policy statement are not intended to create any binding obligations on us or enforceable rights of any director.

### **Director Nomination Process**

The Governance and Nominating Committee believes that candidates for director should have certain minimum qualifications, including being able to read and understand basic financial statements and having the highest personal and professional integrity and ethics. The Governance and Nominating Committee will seriously consider only those candidates who have demonstrated exceptional ability and judgment and who are expected to be effective, in connection with the other nominees to or members of our board of directors, in providing the skills and expertise appropriate for Proxim and serving the long-term interests of our stockholders. Candidates for director are reviewed in the context of the current composition of the board, Proxim's operating and other business requirements, and the long-term interests of stockholders to maintain a balance of knowledge, experience, and capability on our board. In the case of incumbent directors, the Governance and Nominating Committee reviews such directors' overall service to Proxim during their term, including the number of meetings attended, level of preparation and participation, quality of performance, and any other relationships and transactions that might impair such directors' independence. In the case of new director candidates, the Governance and Nominating Committee also determines whether the nominee must or should be independent, which determination is based upon applicable listing standards, applicable rules and regulations, the committee's expectations, and the advice of counsel, if necessary. The Governance and Nominating Committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Governance and Nominating Committee conducts any appropriate inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the board. The Governance and Nominating Committee considers such candidates' qualifications and then selects a nominee or nominees for recommendation to the board. The Governance and Nominating Committee retains the right to modify the qualifications and processes described in this paragraph from time to time.

The Governance and Nominating Committee will consider any qualified director candidates recommended by stockholders. The Governance and Nominating Committee does not intend to alter the manner in which it evaluates candidates based on whether the candidate was recommended by a stockholder or not. Stockholders who wish to recommend individuals for consideration by the Governance and Nominating Committee to become nominees for election to the board may do so by delivering a written recommendation to the Governance and

Nominating Committee at the following address: c/o Secretary, Proxim Wireless Corporation, 881 North King Street, Suite 100, Northampton, MA 01060, which should be submitted no later than 90 days prior to the first anniversary of the preceding year's annual meeting. Submissions must include, at a minimum, the full name of the candidate, sufficient biographical information concerning the candidate, including age, five-year employment history with employer names, positions held, and description of the employers' businesses, whether such candidate can read and understand basic financial statements, and board memberships, if any. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

## **MATERIAL RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

### *Summary of Relationship with Two Controlling Parties*

The majority of our equity voting power is held by two entities, SRA OSS Inc. and Lloyd I. Miller, III (including his affiliated entities for the discussion in this section). In addition, SRA OSS and Mr. Miller are our secured senior and junior lenders with a security interest in all of our assets. Therefore, SRA OSS and Mr. Miller have significant control over our company.

Mr. Miller is our largest stockholder. Mr. Miller holds no board or management position with our company. Two of our directors, Messrs. Gullard and Howe, were originally nominated for election as a director of the Company on the recommendation of Mr. Miller.

SRA OSS is our second largest stockholder. In connection with its August 2009 equity investment in Proxim, SRA OSS was granted the right to request the Company to nominate one representative of SRA for election to Proxim's board of directors as part of the board's slate of nominees for election at annual meetings of Proxim's stockholders. Mr. Kashima was elected to Proxim's board as a result of SRA OSS requesting him to be included in the board's slate of nominees. Mr. Kashima serves as the President, Chief Executive Officer, and Chairman of SRA Inc. and SRA Holdings, Inc., the parent company of SRA OSS Inc., and has no management position with Proxim.

### *Equity Ownership of Two Controlling Parties*

SRA OSS and Mr. Miller together controlled approximately 65% of the outstanding "as-converted" stockholder voting power of Proxim as of March 26, 2012. As of that date (the record date for this annual meeting), Proxim had 235,088 shares of common stock outstanding, 2,500,000 shares of Series A Convertible Preferred Stock outstanding, and 1,250,000 shares of Series B Non-Convertible Preferred Stock outstanding. As of that date, Mr. Miller owned 35,538 shares of our common stock; each of SRA OSS and Mr. Miller owned 1,250,000 shares of our Series A preferred stock; and SRA OSS owned all of our Series B preferred stock. As described in this document, the holders of the common stock and the holders of the Series A preferred stock generally vote together as a single class on items presented for a stockholder vote (with the holders of Series A stock having 0.1333 votes for each share of Series A stock for a total of approximately 333,333 votes). The holders of the Series B preferred stock generally do not have rights to vote on matters submitted to our stockholders. As a result, on an "as converted" basis, as of March 26, 2012, there are approximately 568,421 votes that may be cast on items presented for a stockholder vote, of which Mr. Miller controls approximately 36% and SRA OSS controls approximately 29%. Therefore, Mr. Miller and SRA OSS together currently can determine the outcome of most items submitted to the stockholders for approval regardless of how any other stockholder acts.

SRA OSS and Mr. Miller purchased the Series A and Series B preferred stock from Proxim in a private placement that occurred in August 2009, the terms of which have previously been summarized in Proxim's publicly-available materials. In March 2012, the terms of the Series A and Series B preferred stock were amended to extend the date after which the holders of that preferred stock and the company may request redemption of that stock from August 2012 to January 1, 2016.

As of March 26, 2012, SRA OSS and Mr. Miller also had the ability to purchase 398,564 additional shares of Proxim common stock through the exercise of warrants that have been granted to them. Additional details about these warrants as of that date are described in the table below. These warrants were issued to SRA OSS and Mr. Miller in connection with those entities lending money to Proxim.

Mr. Miller's Warrants			SRA OSS' Warrants		
<u>Quantity</u>	<u>Exercise Price</u>	<u>Expiration Date</u>	<u>Quantity</u>	<u>Exercise Price</u>	<u>Expiration Date</u>
36,331	\$5.47	1/4/16	18,165	\$5.47	1/4/16
7,266	\$9.35	4/15/16	7,266	\$5.10	6/30/16
5,450	\$3.21	10/7/16	5,450	\$3.21	10/11/16
153,068	\$1.89	3/15/17	153,068	\$1.89	3/15/17
12,500	\$15.00	7/25/18			

#### *Loans by Two Controlling Parties to Proxim*

Our two largest stockholders SRA OSS and Mr. Miller also are our secured senior and junior lenders with a security interest in all of our assets.

#### *Subordinated Loan Facility*

In July 2008, Proxim borrowed \$3.0 million from Mr. Miller, the terms of which have previously been summarized in Proxim's publicly-available materials. These amounts are secured by a security interest in Proxim's assets and have been subordinated to the amounts outstanding under Proxim's senior loan facility described below. In March 2012, the maturity of this subordinated loan was extended to January 1, 2016. As of March 15, 2012, the outstanding principal amount (including capitalized interest) under this subordinated loan facility was \$3,575,354.24.

#### *Senior Loan Facility*

In January 2011, Proxim entered into a senior loan facility with SRA OSS and Mr. Miller, the terms of which have previously been summarized in Proxim's publicly-available materials. Under this senior loan facility, Proxim has borrowed an aggregate principal amount of \$8.5 million. These amounts are secured by a security interest in Proxim's assets. The maturity date of amounts outstanding under this facility is January 4, 2014. In March 2012, the facility was amended to reduce the various interest rates applicable to outstanding amounts by two percent. As of March 15, 2012, the outstanding principal amount (including capitalized interest) under this senior loan facility was \$9,590,677.

#### *Related Party Transaction Consideration*

We do not have a written policy specifically addressing approval of related party transactions. Our Statement of Business Conduct and Code of Ethics contains provisions specifically addressing actual or apparent conflicts of interest that could affect the duty of loyalty we believe all of our directors, officers, and employees owe the Company. Under that policy, all actual and reasonably apparent conflicts of interest must be promptly disclosed and terminated unless approved. Such approvals must be made by (i) our Chief Executive Officer in the case of a Company employee, (ii) the Chairperson of our Audit Committee in the case of a Company officer, or (iii) the non-interested members of our board of directors in the case of a director. In general, under its written charter, our Audit Committee is responsible for monitoring compliance with this policy.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND OUR DIRECTORS AND MANAGEMENT

The following table provides information regarding the beneficial ownership of our outstanding voting capital stock as of March 26, 2012 (unless otherwise noted) by:

- each person or group that we know owns more than 5% of any class of our voting capital stock,
- each of our current directors,
- each of our current executive officers,
- each of our nominees for election as director who are not currently directors, and
- all of our current directors and executive officers as a group.

Beneficial ownership is determined under rules of the Securities and Exchange Commission and includes shares over which the beneficial owner exercises voting or investment power. The percentage beneficially owned by each person is based upon 568,421 shares, which is the sum of the 235,088 shares of our common stock outstanding on March 26, 2012 plus the 333,333 shares of our common stock into which the outstanding shares of our Series A Convertible Preferred Stock are convertible. Shares of common stock that we may issue upon the exercise of options or warrants currently exercisable or exercisable within 60 days of March 26, 2012 are deemed outstanding for computing the percentage ownership of the person holding the options or warrants but are not deemed outstanding for computing the percentage ownership of any other person. Except as otherwise indicated, we believe the beneficial owners of the common stock listed below, based on information furnished by them, have sole voting and investment power over the number of shares listed opposite their names.

Name of Beneficial Owner	Shares Issuable pursuant to Options and Warrants Exercisable within 60 days of March 26, 2012	Number of Shares Beneficially Owned (Including the Number of Shares shown in the first column)	Percentage Beneficially Owned
Lloyd I. Miller, III 222 Lakeview Ave, Suite 160-365 West Palm Beach, FL 33401 (1).....	214,615	416,819	53.2%
Milfam II L.P. (same address as Mr. Miller) (1).....	107,307	209,084	30.9%
SRA OSS Inc. 5300 Stevens Creek Blvd., Suite 460 San Jose, CA 95129 (2) .....	183,949	350,615	46.6%
Lee M. Gopadze .....	-	-	*
Steven E. Button .....	-	-	*
David L. Renauld (3) .....	1,872	2,191	*
Michael Foster .....	1,267	1,267	*
J. Michael Gullard.....	950	950	*
Alan B. Howe .....	1,100	1,133	*
Toru Kashima (2).....	183,949	350,615	46.6%
Robert M. Pons .....	332	332	*
David J. Porte.....	332	332	*
All current executive officers and directors as a group (9 persons) .....	189,802	356,820	47.1%

\* Less than 1%.

(1) The number of shares beneficially owned by Mr. Miller is based on information provided to us by Mr. Miller. Based on this information, we believe that (1) Mr. Miller directly owns 11,899 shares of our common stock and has the right to acquire an additional 107,308 shares of our common stock upon exercise of warrants; (2) Mr. Miller has sole voting and dispositive power of the 18,444 shares of our common

stock owned by Milfam II L.P. and the additional 107,307 shares of our common stock that may be acquired upon exercise of warrants held by Milfam II L.P.; and (3) Mr. Miller has shared voting and dispositive power of the 5,195 shares of our common stock owned by Trust A-4. Further, Mr. Miller and Milfam II L.P. each own 625,000 shares of our Series A Convertible Preferred Stock which is convertible into 83,333 shares of our common stock. Mr. Miller disclaims beneficial ownership of the shares beneficially held by Milfam II L.P. and Trust A-4 except to the extent of his pecuniary interest in those shares.

- (2) SRA OSS Inc. owns 1,250,000 shares of our Series A Convertible Preferred Stock which is convertible into 166,666 shares of our common stock. SRA OSS Inc. is wholly owned by SRA Inc. Mr. Kashima is President, Chief Executive Officer, and Chairman of SRA Inc. We believe that Mr. Kashima disclaims beneficial ownership of the shares beneficially held by SRA OSS Inc. except to the extent of his pecuniary interest in those shares.
- (3) Mr. Renauld has joint ownership and shared voting and investment power with his wife with respect to 319 shares of our common stock.

## **OTHER MATTERS**

The board of directors knows of no other matters that will be presented for consideration at the annual meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

/s/ David L. Renauld

April 11, 2011

David L. Renauld, Secretary

**Further information about Proxim is contained in (i) any filings made by Proxim from time to time with the OTC Markets ([www.otcmarkets.com](http://www.otcmarkets.com)), (ii) the historical filings made by Proxim with the Securities and Exchange Commission (available at [www.sec.gov](http://www.sec.gov)), and (iii) its other public statements, which may be available on Proxim's website ([www.proxim.com](http://www.proxim.com)). Proxim will provide, without charge, a copy of materials filed publicly by Proxim to any stockholder upon written request by the stockholder. Requests should be addressed to David L. Renauld, Proxim Wireless Corporation, 881 North King Street, Suite 100, Northampton, MA 01060.**