# PROXIM WIRELESS CORPORATION

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
## TO BE HELD ON MAY 17, 2010

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 17, 2010, 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 six 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, 2010 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 9, 2010

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 Monday, May 17, 2010 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 9, 2010.

**Record Date and Outstanding Shares**

The board of directors has fixed the close of business on March 26, 2010 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, 2010, 23,455,993 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 63,076 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 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, 2010, 23,519,069 shares of our common stock are treated as outstanding in this document (except when describing the quorum and number of shares entitled to vote at the annual meeting).

At the close of business on March 26, 2010, 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, 2010, 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 will vote together as a single class on the matters submitted to the 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 thirteen and one-third 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 23,455,993 votes, and holders of our Series A Convertible Preferred Stock in the aggregate are entitled to cast 33,333,332 votes, for a total of 56,789,325 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, abstentions, and broker non-votes 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 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 in favor of the proposal to elect the six director-nominees. Because the holders of our Series A Convertible Preferred Stock collectively own 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 this proposal will be approved by our stockholders regardless of how our other stockholders vote. More information about this subject 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 matters 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. Renauld, 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 six. Each of our directors is elected at each annual meeting of stockholders.

We currently have six members on our board of directors. The six current directors are John W. Gerdelman, J. Michael Gullard, Alan B. Howe, Pankaj S. Manglik, Dr. Rao Papolu, and Robert A. Wiedemer. All six directors have all been re-nominated for election as directors of the Company.

These six 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 six nominees to the board of directors. Proxies may not be voted for more than six 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.

Dr. Papolu was initially appointed to Proxim's board of directors as the request of SRA OSS Inc., another of our significant stockholders, in connection with its August 2009 investment in Proxim. SRA OSS has 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 Dr. Papolu for election to Proxim's board of directors, and the Company has done so.

Mr. Manglik serves as our President and Chief Executive Officer. Under the terms of his employment agreement with us, failure of our board of directors to nominate Mr. Manglik for election to the board as part of the board's slate of nominees would give Mr. Manglik "good reason" to terminate that employment agreement and receive severance payments from us.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE 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 their ages as of March 26, 2010 are as follows:

| Name | Age | Position |
|---|---|---|
| Pankaj S. Manglik | 45 | President, Chief Executive Officer, and Director |
| Thomas S. Twerdahl | 60 | Interim Chief Financial Officer and Treasurer |
| David L. Renauld | 44 | Vice President, Corporate Affairs, General Counsel, and Secretary |
| Alan B. Howe | 48 | Chairman of the Board of Directors |
| John W. Gerdelman | 57 | Director |
| J. Michael Gullard | 65 | Director |
| Dr. Rao M. Papolu | 53 | Director |
| Robert A. Wiedemer | 51 | Director |

Pankaj S. Manglik was promoted to his current position of President and Chief Executive Officer in January 2008. He had been our President and Chief Operating Officer since May 2006 and has been a director since July 2006. Prior to joining Proxim, Mr. Manglik was an independent consultant advising the boards of directors of venture capital-funded startup companies. In January 2002, he co-founded Aruba Networks, which is now a publicly-traded wireless infrastructure company, and served as its President, Chief Executive Officer, and Vice President at different times during his employment through May 2004. Previously, he was Director of Product Management for Alteon Websystems, which was acquired by Nortel Networks. Prior to Alteon, Mr. Manglik worked at Cisco Systems and Intel Corporation. Under the terms of Mr. Manglik's employment agreement with us, failure of our board of directors to nominate Mr. Manglik for election to the board as part of the board's slate of nominees would give Mr. Manglik "good reason" to terminate that employment agreement and receive severance payments from us.

Thomas S. Twerdahl has been our Interim Chief Financial Officer and Treasurer since September 2008 and was Corporate Controller for Proxim since February 2007. From October 2004 to January 2007, he was Corporate Controller for Adept Technology, a leading worldwide manufacturer of vision-guided robotics equipment. From November 1999 to September 2004, he was Director of Finance for Philips Medical Systems, a world leader in diagnostic medical systems. Earlier in his career, he held various financial roles at 3Com Corporation, National Semiconductor, and Applied Materials. He started his career at Deloitte & Touche LLP. Mr. Twerdahl has a B.S. in Accounting from San Jose State University and an MBA from the University of Santa Clara. He has been a licensed Certified Public Accountant in the State of California since 1989.

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.

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), Ditech Networks (Nasdaq: DITC), and Co-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.

John W. Gerdelman has been a director since June 2004. Since January 2004, Mr. Gerdelman has been Executive Chairman of Intelliden Corporation, a leading provider of intelligent networking software solutions. From April 2002 to December 2003, Mr. Gerdelman took on the bankruptcy reorganization of Metromedia Fiber Networks, a provider of digital communications infrastructure, as President and Chief Executive Officer. Metromedia Fiber Networks successfully emerged from Chapter 11 bankruptcy in September 2003 as AboveNet, Inc. From January 2000 to April 2002, Mr. Gerdelman was Managing Partner of Morton's Group LLC, an information technology and telecommunications venture group. From April 1999 to December 1999, he served as President and Chief Executive Officer of USA.NET, a provider of innovative email solutions. Previously, he had served as an Executive Vice President at MCI Corporation. Mr. Gerdelman serves on the boards of directors of Brocade Communications Systems Inc., a provider of storage area networks solutions, and Sycamore Networks, an optical gear company. Mr. Gerdelman is a graduate of the College of William and Mary with a degree in Chemistry and currently serves on their Board of Visitors.

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 a 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 Alliance Semiconductor Corporation, JDA Software Group, Inc., and Planar Systems, 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.

Dr. Rao Papolu was appointed as a director in August 2009 pursuant to the strategic investment made by SRA in Proxim. He is the President of SRA OSS Inc, which he founded in July 2005 as a subsidiary of SRA Holdings, Inc. of Japan. Prior to this, Dr. Rao was been the Vice President & COO of SRA America Inc. since May 2001, which he also founded. In the past he has held senior management positions as Country Manager for EMRC Japan as well as General Manager of Moldflow Japan, Inc, a wholly subsidiary of Moldflow Inc., a pre IPO company which he was instrumental in taking public, which later got acquired by Autodesk. He has also held positions in the manufacturing and financial services industry with companies such as Lehman Brothers (Asia Securities), JP Morgan, and its derivatives spin-off Cygnify. Dr. Rao received his Doctorate degree from the Indian Institute of Technology (IIT), Madras. He has published 25 research publications in various international journals. He has also been a visiting scientist at the University of Michigan (Ann Arbor) as well as the Institute of Space and Astronautical Science (ISAS) Japan.

Robert A. Wiedemer has been a director since December 2003. Since February 2002, he has been Managing Partner of Business Valuation Center, a company he co-founded that is focused on the valuation of private, middle-market companies throughout the United States. From June 2000 until January 2002, he held various positions at Pricesaroundtheworld.com, an Internet-based price research services firm, where he was promoted from Chief Financial Officer to Chief Executive Officer. From October 1998 until May 2000, he was Managing Partner of The Netfire Group, a financial and marketing consulting firm. Mr. Wiedemer holds a Masters Degree in Marketing from the University of Wisconsin – Madison. Mr. Wiedemer is the author of *America's Bubble Economy*, published in 2006, which has been recognized as the first book to predict the current popping of the world's bubble economy. Mr. Wiedemer has recently written a sequel, *Aftershock*, which was published in October 2009.

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 John W. Gerdelman, J. Michael Gullard, Alan B. Howe, Dr. Rao M. Papolu, and Robert A. Wiedemer 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 Dr. Papolu was appointed as a director at the request of SRA OSS Inc. in connection with its investment in the Company and serves as the President of SRA OSS Inc., a major stockholder of the Company. These five directors constitute a majority of our current directors. The remaining current director is Pankaj S. Manglik, our Chief Executive Officer.

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 2009 annual meeting of stockholders was attended by all 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 thirty-nine times during 2009. 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 2009 during the period he served as a director or member of the committees.

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://ir.proxim.com/documentdisplay.cfm?DocumentID=3991; http://ir.proxim.com/documentdisplay.cfm?DocumentID=3992; http://ir.proxim.com/documentdisplay.cfm?DocumentID=3993.

Each of the current members of each of these committees is, and each of the members of each of these committees during 2009 was, independent as defined in the rules of the Nasdaq Stock Market.

The members of our Audit Committee during 2009 were Mr. Wiedemer (Chair), Mr. Gullard, and Mr. Howe. The members of our Audit Committee currently are Messrs. Wiedemer (Chair), Gullard, and Howe. The Audit Committee held seven meetings during 2009. 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. Wiedemer, 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 2009 were Mr. Gerdelman (Chair), Mr. Gullard, Dr. Papolu (starting in August 2009), and Mr. Wiedemer. The members of our Compensation Committee currently are Messrs. Gerdelman (Chair), Gullard, Papolu, and Wiedemer. The Compensation Committee did not hold any meetings during 2009. 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 2009 were Mr. Gullard (Chair), Mr. Gerdelman, and Mr. Howe. The members of our Governance and Nominating Committee currently are Messrs. Gullard (Chair), Gerdelman, and Howe. The Governance and Nominating Committee did not hold any meetings during 2009. 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 2009**

| Name | Fees Paid in Cash | Stock Options (1) |
|---|---|---|
| John W. Gerdelman | $29,500 | 15,000 (2) |
| J. Michael Gullard | $33,000 | 15,000 (3) |
| Alan B. Howe | $42,500 | 15,000 (4) |
| Dr. Rao Papolu | - | - |
| Robert A. Wiedemer | $35,500 | 15,000 (5) |

(1) In 2009, each of Messrs. Gerdelman, Gullard, Howe, and Wiedemer was granted fully-vested options to purchase 15,000 shares of our common stock at a per share exercise price of $0.31 per share.

(2) In addition to the stock options granted in 2009, as of December 31, 2009, Mr. Gerdelman had fully-vested options outstanding to purchase 45,000 shares of our common stock.

(3) In addition to the stock options granted in 2009, as of December 31, 2009, Mr. Gullard had vested options outstanding to purchase 50,000 shares of our common stock.

(4) In addition to the stock options granted in 2009, as of December 31, 2009, Mr. Howe had vested options outstanding to purchase 65,000 shares of our common stock.

(5) In addition to the stock options granted in 2009, as of December 31, 2008, Mr. Wiedemer had fully-vested options outstanding to purchase 72,500 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 50,000 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 15,000 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

*August 2009 Financing Transaction*

On August 13, 2009, Proxim entered into a Preferred Stock Purchase Agreement with SRA OSS Inc. (a wholly owned subsidiary of SRA Holdings, Inc.), Lloyd I. Miller, III, and Milfam II L.P.  The primary terms of that stock purchase agreement are summarized as follows:

- Proxim issued 2.5 million shares of its new Series A Convertible Preferred Stock and 1.25 million shares of its new Series B Non-Convertible Preferred Stock in a private placement all at $2.00 per share for total consideration of $7.5 million
- SRA OSS purchased 1.25 million shares of the Series A stock and all 1.25 million shares of the Series B stock for total cash consideration of $5.0 million with the funds coming from its parent company SRA Holdings, Inc.
- Each of Mr. Miller and Milfam II purchased 625,000 shares of Series A stock for cash consideration of $625,000 and debt cancellation of $625,000 (as discussed in more detail below)
- The agreement contains various representations, warranties, covenants, indemnifications, and other terms relating to the private placement transaction, Proxim, its subsidiaries, their businesses, and the investors
- The investors agreed not to engage in a variety of short-sale transactions
- Proxim agreed to increase the size of its Board of Directors and Compensation Committee by one and to name an SRA OSS designee to the board and Compensation Committee, with that SRA OSS designee being Dr. Rao Papolu
- Thereafter, so long as SRA OSS (with its affiliates) owns at least 51% of its original investment, Proxim agreed to nominate one SRA OSS designee for election as a member of Proxim's Board of Directors and, if the designee is elected, to put that SRA OSS designee on Proxim's Board of Directors Compensation Committee

- Further, so long as SRA OSS (with its affiliates) owns at least 51% of its original investment, SRA OSS has right to designate one observer to meetings of the Proxim Board of Directors (two observers if the SRA OSS Board of Directors designee is not elected as a director)

The terms of the new Series A and Series B preferred stock are set forth in a Certificate of Designation filed by Proxim with the Delaware Secretary of State on August 13, 2009. That certificate, which became effective on filing, amended Proxim's Certificate of Incorporation, as previously amended to date. The primary terms of the Series A and Series B stock set forth in that certificate of designation are summarized as follows:

- 2.5 million shares of Series A Convertible Preferred Stock and 1.25 million shares of Series B Non-Convertible Preferred Stock were authorized from Proxim's 4.5 million shares of undesignated preferred stock
- Dividends accrue on the Series A stock at a rate of 7% per annum compounded quarterly (but only while the market price of Proxim's common stock is less than the $0.15 conversion price); dividends accrue on the Series B stock at a rate of 10% per annum compounded quarterly (but that dividend rate could be increased to 15% per annum in three specific situations)
- Proxim may not pay dividends on any other class or series of stock unless all Series A and Series B accrued dividends have been paid or unless the holders of a majority of the Series B shares otherwise approve
- In the case of most acquisition and liquidation situations, first the holders of the Series A stock and the Series B stock would receive their original investment plus accrued dividends and then the remaining proceeds would be distributed among the holders of the common stock (but if the proceeds remaining available for distribution after the Series A and Series B preferential return exceed $30 million, then those remaining proceeds are distributed pro rata among the holders of the common stock and the holders of the Series A stock on an as-converted basis)
- The holders of the Series A stock and Series B stock can request redemption of all of that stock after three years for an amount equal to the purchase price plus accrued dividends; Proxim can request redemption of that stock after four years also on an "all or none" basis
- Holders of the Series A stock will vote with the holders of the common stock as a single class on an as-converted basis; the Series B stock generally has no stockholder voting rights
- Each share of Series A stock is initially convertible at the option of the holder into 13 1/3 shares of Proxim's common stock (determined by dividing the $2.00 per share Series A purchase price by the $0.15 conversion price); the Series B stock is not convertible into Proxim's common stock
- The initial $0.15 conversion price is subject to typical adjustments for stock splits and combinations, stock dividends and distributions, and mergers and reorganizations
- The initial $0.15 conversion price is subject to anti-dilution adjustment if Proxim issues additional equity securities at a per share price less than the conversion price on or before February 13, 2010
- Proxim agreed not to take certain actions relating to primarily the Series B stock without the consent of the holders of a majority of the Series B stock (with the consent rights existing only so long as at least 51% of the originally-issued number of Series B shares remain outstanding and SRA OSS (with its affiliates) owns at least 51% of the outstanding shares of Series B stock)

In connection with these transactions, Proxim also entered into an Investors Rights Agreement, dated as of August 13, 2009, with the other parties to the Preferred Stock Purchase Agreement. The primary terms of that Investors Rights Agreement are summarized as follows:

- Proxim made various covenants to the investors and granted them various access and information rights
- Proxim agreed not to issue any more shares of Series A or Series B stock without the consent of the holders of the majority of the then-outstanding shares of the relevant class
- Proxim granted piggyback registration rights to the investors as well as Form S-3 registration rights
- Proxim granted a right of first offer on subsequent capital-raising equity financings to the investors (so long as the investor wanting to participate holds at least 51% of its original investment) for up to one year after closing (through August 13, 2010)

Proxim also entered into a Strategic Alliance Agreement, dated as of August 13, 2009, with SRA OSS. That agreement provides for each party to promote the products and services of the other party to the original party's customers as well as commissions that each party would pay to the other on business generated from these cross-promotional activities. Proxim also agreed not to promote to its major and strategic customers services offered by entities that compete with SRA OSS' software services.

Proxim entered into a Statement of Agreements, dated as of August 13, 2009, with Lloyd I. Miller, III and Milfam II L.P. addressing three topics:

- Mr. Miller and Milfam consented to the transactions described above (which consent was required pursuant to previous documentation in place between Proxim and those entities)
- Proxim agreed to reduce the exercise price of the two warrants previously issued to Mr. Miller and Milfam, each to purchase 625,000 shares of Proxim common stock for a total of 1,250,000 shares, from \$0.53 per share to \$0.15 per share
- Proxim, Mr. Miller, and Milfam agreed that half the purchase price from each of Mr. Miller and Milfam for the shares of Series A stock purchased pursuant to the Preferred Stock Purchase Agreement (\$625,000 each) would be paid in cash and the remaining half would be paid by cancellation of indebtedness owed to each of Mr. Miller and Milfam pursuant to a Securities Purchase Agreement, dated as of July 28, 2008, and related notes issued pursuant thereto (which agreement is described in the Form 8-K filed by Proxim with the Securities and Exchange Commission on July 29, 2008). Thus, of the aggregate \$2.5 million purchase price for the shares of Series A stock they acquired, Mr. Miller and Milfam together paid \$1.25 million in cash and \$1.25 million of existing debt was cancelled.

These transactions were approved by Proxim's Board of Directors.

As a result of the transactions described above, SRA OSS and Mr. Miller (including their affiliated entities) now together control approximately 61% of the "as-converted" stockholder voting power of Proxim. As of August 13, 2009 (after the closing of the transactions contemplated by the Preferred Stock Purchase Agreement) and also as of March 26, 2010 (the record date for this annual meeting), Proxim had 23,519,069 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 described above, the holders of the common stock and the holders of the Series A stock generally vote together as a single class on items presented for a stockholder vote (with the holders of Series A stock having 13 1/3 votes for each share of Series A stock for a total of approximately 33,333,332 votes). As a result, on an "as converted" basis, there are approximately 56,852,401 votes that may be cast on items presented for a stockholder vote, of which Mr. Miller controls approximately 36% and SRA OSS controls approximately 30%. As described below, Mr. Miller also has the ability to purchase 1,250,000 additional shares of Proxim common stock through the exercise of his warrants. Therefore, Mr. Miller and SRA OSS together can determine the outcome of most items submitted to the stockholders for approval.

*Other Transactions with Lloyd I. Miller, III*

Lloyd I. Miller, III, personally and through affiliated entities, 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. In addition to the August 2009 financing transaction described above, we have engaged in the following transaction with Mr. Miller in the last two full fiscal years.

In July 2008, Mr. Miller and an affiliated entity lent us \$3.0 million. This loan was reflected by promissory notes dated July 25, 2008 from Proxim to each of the lenders in the initial principal amount of \$1.5 million. The notes are unsecured. In connection with this transaction, Proxim paid each lender a fee of \$22,500, being 1.5% of the amount lent by each lender. All outstanding amounts are scheduled to be repaid on July 25, 2011. Proxim may prepay any or all outstanding principal amounts at any time by paying to the lenders 102% of the principal amount being repaid. All outstanding amounts must be prepaid upon a change of control of Proxim (as defined in the securities purchase agreement) by paying 102% of the entire principal amount then outstanding. Amounts may also be required to be repaid earlier upon the occurrence of specified defaults by Proxim. The notes accrue interest at

16% per annum. Interest payments are due and payable monthly in arrears on the last day of each calendar month beginning on July 31, 2008. In lieu of paying accrued interest in cash on each interest payment date, Proxim, in its sole discretion, may elect to pay interest in kind at the rate of 19% per annum, compounding monthly, in which case the accrued interest will be added to the outstanding principal amount of the notes and interest will accrue on that aggregate principal amount thereafter. In December 2008, Proxim did elect to pay the interest in kind and has continued to do so.

In the securities purchase agreement, Proxim made customary representations and warranties and gave customary affirmative and negative covenants to the lenders. Covenants include notifications of certain events, maintenance of business, and limitations on Proxim's ability to pay dividends on its capital stock, to make capital expenditures, to conduct mergers, acquisitions and/or assets sales or acquisitions, to incur future indebtedness, to place liens on assets, and to prepay other indebtedness. The lenders are entitled to accelerate repayment of the loans under the securities purchase agreement upon the occurrence of any of various customary events of default, which include, among other events, failure to pay when due any principal or interest in respect of the loans, breach of any of Proxim's covenants (subject, in some cases, to certain grace periods) or representations under the securities purchase agreement and related documents, failure by Proxim to pay its other obligations, Proxim becoming involved in specified financial difficulties such as bankruptcy or insolvency proceedings, attachment or seizure of a material portion of Proxim's assets, a significant unsatisfied judgment against Proxim, and the occurrence of a material adverse change in Proxim's business or financial condition taken as a whole. Upon default by Proxim, the lenders may declare the entire unpaid amounts under the notes to be due and payable.

In connection with the transactions contemplated by the securities purchase agreement, the lenders agreed to cancel warrants that had been issued to the lenders in July 2007. In the aggregate, warrants to purchase 925,000 shares of Proxim's common stock at an exercise price of $2.45 per share were cancelled effective July 25, 2008. Proxim issued the two lenders warrants, dated July 25, 2008, to purchase an aggregate of 1,250,000 shares of Proxim's common stock (subject to adjustment) at an exercise price of $0.53 per share (subject to adjustment). The warrants may be exercised at any time until July 25, 2018. The warrants may be exercised by paying the exercise price to Proxim or by cashless exercise pursuant to a formula. As discussed above under the subheading "*August 2009 Financing Transaction*," in August 2009 the exercise price of these warrants was reduced to $0.15 per share.

Given the relationship with Mr. Miller, the Proxim Board of Directors delegated the negotiation of the July 2008 transactions described above with Mr. Miller to a Transaction Committee of the Board of Directors. The Transaction Committee consisted of Robert A. Wiedemer and John W. Gerdelman, two independent directors of Proxim who were not originally recommended by Mr. Miller. After negotiation, the Transaction Committee approved the transactions described above with Mr. Miller and recommended approval by the full Board of Directors. The full Board of Directors accepted the Transaction Committee's recommendation and approved the recommended transactions without modification.

The aggregate amount of interest paid in cash relating to this July 2008 indebtedness through December 31, 2009 was $170,000. No principal amount of this indebtedness to Mr. Miller was repaid through December 31, 2009. As discussed above under the subheading "*August 2009 Financing Transaction,*" in August 2009 $1.25 million of this indebtedness was cancelled. As of December 31, 2009, the principal amount outstanding was $2,345,609, which includes the original principal amount plus interest paid in kind less the cancelled portion.

*Transactions with B. Riley & Co., LLC*

Mr. Howe currently serves as a Managing Director of B. Riley & Co., LLC, an investment bank. B. Riley served as Proxim's financial advisor in connection with the August 2009 financing transaction described above and was paid a fee in connection with the completion of that transaction. In addition, in connection with Proxim qualifying for listing on the OTCQX trading market, Proxim engaged B. Riley to serve as Proxim's required Designated Advisor for Disclosure and pays B. Riley a quarterly fee to act in this role.

*Related Party Transaction Consideration*

We do not have a written policy specifically addressing approval of related party transactions because we rarely have had such situations arise. 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, 2010 (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, 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 the sum of 23,519,069 shares of our common stock outstanding on March 26, 2010 plus the 33,333,332 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, 2010 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 (1) | Shares Issuable pursuant to Options and Warrants Exercisable within 60 days of March 26, 2010 | Number of Shares Beneficially Owned (Including the Number of Shares shown in the first column) | Percentage Beneficially Owned |
|---|---|---|---|
| Lloyd I. Miller, III<br>4550 Gordon Drive<br>Naples, FL 34102 (2) | 1,250,000 | 21,470,606 | 37.0% |
| Milfam II L.P.<br>(same address as Mr. Miller) (2) | 625,000 | 10,802,772 | 18.8% |
| SRA OSS Inc.<br>5300 Stevens Creek Blvd., Suite 460<br>San Jose, CA 95129 (3) | 0 | 16,666,666 | 29.3% |
| Funds managed by<br>Mobius Venture Capital<br>1050 Walnut Street, Ste 210<br>Boulder, CO 80302 (4) | 0 | 1,755,547 | 3.1% |
| Pankaj Manglik (5) | 800,000 | 830,000 | 1.4% |
| Thomas S. Twerdahl | 23,834 | 25,084 | * |
| David L. Renauld (6) | 83,563 | 100,288 | * |
| John W. Gerdelman | 60,000 | 60,000 | * |
| J. Michael Gullard | 65,000 | 65,000 | * |
| Alan B. Howe | 80,000 | 83,300 | * |
| Dr. Rao M. Papolu (3) | 0 | 17,138,279 | 30.1% |
| Robert A. Wiedemer | 87,500 | 87,575 | * |
| All current executive officers and directors as a group (8 persons) | 1,199,897 | 18,389,526 | 31.7% |

* Less than 1%.

(1) In addition to the entities listed in this table, Brean Murray Carret Group Inc. filed a Schedule 13D with the SEC on February 9, 2009 stating that it beneficially owned 1,201,501 shares of Proxim common stock, which filing provides more information about that holding and control persons. Proxim does not know whether or not the information in that February 2009 filing is still current.

(2) The number of shares beneficially owned by Mr. Miller is based on information known to Proxim and information contained in the public filings made by Mr. Miller with the SEC. Based on this information, we believe that (1) Mr. Miller directly owns 1,189,963 shares of our common stock and has the right to acquire an additional 625,000 shares of our common stock upon exercise of warrants; (2) Mr. Miller has sole voting and dispositive power of the 1,844,439 shares of our common stock owned by Milfam II L.P. and the additional 625,000 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 519,538 shares of our common stock owned by Trust A-4. Further, each of Mr. Miller and Milfam II L.P. owns 625,000 shares of our Series A Convertible Preferred Stock which is convertible into 8,333,333 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.

(3) SRA OSS Inc. owns 1,250,000 shares of our Series A Convertible Preferred Stock which is convertible into 16,666,666 shares of our common stock. Dr. Papolu is the president of SRA OSS. Dr. Papolu disclaims beneficial ownership of the shares beneficially held by SRA OSS Inc. except to the extent of his pecuniary interest in those shares. Dr. Rao owns 471,613 shares of our common stock personally.

(4) The number of shares beneficially owned by funds managed by Mobius Venture Capital is based solely on information contained in the Schedule 13G/A filed by Mobius Venture Capital with the SEC on February 12, 2010, which filing provides more information about these holdings and Mobius control persons.

(5) The 30,000 shares of our outstanding stock included in Mr. Manglik's holdings are held of record by the Manglik/Sundari Family Trust dated February 17, 2003. Mr. Manglik has shared voting and investment power with his wife with respect to these 30,000 shares of our common stock.

(6) Mr. Renauld has joint ownership and shared voting and investment power with his wife with respect to 16,725 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 9, 2010

David L. Renauld, Secretary

**Further information about Proxim is contained in (i) the filings made by Proxim from time to time with the OTCQX (www.otcqx.com), including without limitation its Annual Report for the Year Ended December 31, 2009 filed by Proxim on March 30, 2010, (ii) the filings made by Proxim with the Securities and Exchange Commission (available at www.sec.gov), including without limitation in the Annual Report on Form 10-K filed by Proxim on March 31, 2009 and the amended Annual Report on Form 10-K filed by Proxim on April 30, 2009, and (iii) its other public statements, which may be available on Proxim's website (www.proxim.com). Proxim will provide, without charge, a copy of Proxim's 2009 OTCQX Annual Report 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.**