

PROXIM WIRELESS CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 8, 2009

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 December 8, 2009, 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;
2. To approve an amendment to Proxim’s Certificate of Incorporation, as amended to date, effecting a reverse stock split of the Company’s common stock at a ratio to be determined by Proxim’s Board of Directors within a range of one-for-ten shares to one-for-one hundred shares; and
3. 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 October 21, 2009 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

October 30, 2009

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 Tuesday, December 8, 2009 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 October 30, 2009.

Record Date and Outstanding Shares

The board of directors has fixed the close of business on October 21, 2009 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 October 21, 2009, 23,455,746 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 63,323 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 October 21, 2009, 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 October 21, 2009, 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 October 21, 2009, 1,250,000 shares of our Series B Non-Convertible Preferred Stock were outstanding. The holders of 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 23,455,746 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 56,789,078 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 proposal to amend Proxim's Certificate of Incorporation, as amended to date, to effect a reverse stock split at a ratio to be determined by Proxim's Board of Directors within a range of one-for-ten shares to one-for-one hundred shares requires the affirmative vote of a majority of our outstanding stock entitled to vote on this proposal (as measured by voting power). Therefore, abstentions and broker non-votes will have the same effect as votes against this proposal.

The board of directors believes that the holders of our Series A Convertible Preferred Stock will vote in favor of the proposals to elect the six director-nominees and to effect the reverse stock split. 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 these proposals (as measured by voting power), we expect that both of these proposals 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 and ***FOR*** the approval of the reverse stock split.

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. Renault, 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, one of our significant stockholders.

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."

PROPOSAL 2 REVERSE STOCK SPLIT

Summary

Proxim's Board of Directors has authorized, and recommends for your approval, an amendment to Proxim's Certificate of Incorporation, as amended to date, to effect a reverse stock split of all outstanding shares of our common stock at a ratio to be determined by the Board of Directors within a range of one-for-ten shares to one-

for-one hundred shares. If approved and implemented, the reverse stock split would reduce our issued and outstanding shares of common stock from approximately 23.5 million to between approximately 235,000 shares and 2.35 million shares, depending on the reverse split ratio determined by the Board of Directors. The reverse stock split, if approved and implemented, would not change the number of authorized shares of our common stock or our preferred stock or the par value of our common stock or our preferred stock.

If our stockholders approve the reverse stock split, the Board of Directors will have the sole discretion to elect, as it determines, whether or not to effect a reverse stock split, and if so, the specific number of shares of our common stock between and including ten and one hundred which would be combined into one share of our common stock, at any time before the one-year anniversary of the December 8, 2009 annual meeting. The Board of Directors believes that stockholder approval of an amendment granting the Board of Directors the discretion to approve the specific reverse stock split ratio to be effected, rather than approval of only one specific exchange ratio at this time, provides the Board of Directors with maximum flexibility to react to then-current market conditions and to best attempt to achieve the reasons for the reverse stock split and, therefore, is in our best interests and those of our stockholders. In making its determination of the precise ratio of the reverse stock split, the Board will consider a number of factors, including marketability and liquidity of our common stock, historical trading prices and volumes of our common stock, prevailing market and economic conditions, and anticipated customer, supplier, employee, and market reaction to the reverse stock split, among other factors that it may consider relevant. By voting in favor of the reverse stock split, you are expressly also authorizing our Board of Directors to determine not to proceed with the reverse stock split if it should so decide.

If our stockholders approve and the Board of Directors decides to implement a reverse stock split, we would file an amendment to our Certificate of Incorporation, as amended to date, with the Secretary of State of the State of Delaware at a time as determined by the Board of Directors, but no later than the one-year anniversary of the December 8, 2009 annual meeting. That amendment would effect the reverse split at the time specified in the amendment. The form of the proposed amendment to Proxim's Certificate of Incorporation, as amended to date, to effect the reverse stock split is attached to this document as [Appendix A](#).

Reasons for the Reverse Stock Split

Our Board of Directors believes that we should implement a reverse stock split for a variety of reasons.

A reverse stock split should increase the market price of our common stock. In turn, we believe that this higher stock price will positively impact our business of selling broadband wireless equipment. We believe that our attractiveness as a supplier to our customers, as a customer to our suppliers, and as an employer for our employees is adversely affected by our current low stock price. Parties with whom we do business may view our low stock price as an indicator of the financial health and longevity of the company and therefore customers may not want to buy products from us and suppliers may not want to sell products to us. Additionally, we may find it difficult to attract and retain a skilled employee base with a low stock price.

Another primary reason for the reverse stock split is to provide Proxim with an appropriate number of shares of outstanding capital stock for long-term, sustainable stock price appreciation. The number of shares of our outstanding capital stock increased dramatically due to our equity financing in August 2009. Due to that transaction, our outstanding shares of common stock increased from approximately 23.5 million to approximately 56.8 million (assuming full conversion of the outstanding shares of our Series A Convertible Preferred Stock). We believe that number is too large for a company of our size and expected financial performance. We believe that a lower number of shares of capital stock outstanding is more appropriate and would better position us for future, long-term stock price appreciation. Because there would be fewer shares of our common stock outstanding, we anticipate that the per share net income or loss and net book value of our common stock would be increased. In turn, we anticipate this would enable greater long-term stock price appreciation as investors apply typical valuation methodologies to our common stock, such as valuing our stock based on a multiple of earnings per share.

If we effect the reverse stock split, we believe that the resulting reduction in the number of outstanding shares of our common stock may encourage greater interest in our common stock by the investment community. We believe that the current market price of our common stock may impair its acceptability to institutional investors,

professional investors, and other members of the investing public. Many institutional investors have policies prohibiting them from holding lower-priced stocks in their portfolios, which reduces the number of potential buyers of our common stock. In addition, analysts at many leading brokerage firms are reluctant to recommend lower-priced stocks to their clients or monitor the activity of lower-priced stocks. We believe that if the reverse stock split has the effect of increasing the trading price of our common stock, the investment community may find our common stock to be more attractive, which could promote higher stock prices and greater liquidity for our existing stockholders. The reverse stock split and expected higher stock price may make it easier for us to relist our common stock on the NASDAQ Stock Market, if we should choose to do so.

Further, because brokers' commissions on low-priced stocks generally represent a higher percentage of the stock price than commissions on higher priced stocks, the current share price of Proxim's common stock can result in stockholders paying transaction costs that are a higher percentage of their total share value than would be the case if Proxim's common stock were priced substantially higher. This may limit the willingness of investors to purchase Proxim common stock. By effecting a reverse stock split, Proxim believes it may be able to raise the trading price of its common stock to a level at which Proxim's common stock could be viewed more favorably by potential investors. If the reverse stock split results in an increased trading price and increased investor interest, the Board of Directors believes that stockholders may benefit from improved trading liquidity of Proxim's common stock.

We expect to save costs as a result of the reverse stock split. Proxim had a common stockholder base of approximately 3,786 stockholders as of September 30, 2009, consisting of approximately 213 registered stockholders and approximately 3,573 stockholders holding common stock in street name through a nominee (i.e., a bank or broker). A significant portion of those stockholders own relatively few numbers of shares of our common stock. For example, at that time, approximately 1,070 of those stockholders owned fewer than 100 shares and these stockholders collectively owned approximately 83,350 shares of our common stock. So, stockholders holding fewer than 100 shares in their account represented approximately 28% of the total number of our common stockholders, but these stockholders collectively held only approximately 0.35% of our common stock outstanding on the record date. This analysis assumes no stockholder has more than one account. Our costs associated with such small accounts are disproportionately high when compared to the total number of shares involved and value of those shares. In light of these disproportionate costs, the board believes that it is in the best interests of Proxim and its stockholders as a whole to eliminate the administrative burden and costs associated with such small accounts.

A reverse split would allow stockholders with a small number of shares to receive the value of those shares without having to incur the costs of selling those shares on the open market. Otherwise, stockholders with small holdings would likely incur brokerage fees which would be disproportionately high relative to the market value of their shares if they wanted to sell their stock, particularly given the low recent trading price of our common stock. However, if these stockholders did not want to cash out their holdings of common stock, they could buy additional shares of our common stock on the open market to increase the number of shares of common stock in their account to at least the number of shares of common stock that will be changed into one share of common stock pursuant to the reverse stock split or, if applicable, consolidate or transfer their accounts into an account that has at least that number of shares.

Risks Associated with Reverse Stock Split

The reverse stock split may not result in the benefits described above under the heading "Reasons for the Reverse Stock Split." Among other issues, the market price of our common stock immediately after the effective date of the proposed reverse stock split may not be maintained for any period of time or may not increase in proportion to the reduction in the number of shares of our common stock outstanding before the reverse stock split. Accordingly, the total market capitalization of our common stock after the proposed reverse stock split may be lower than the total market capitalization before the proposed reverse stock split and, in the future, the market price of our common stock following the reverse stock split may not exceed or remain higher than the current market price. In many cases, the total market capitalization of a company following a reverse stock split is lower than the total market capitalization before the reverse stock split. As a result, the reverse stock split could further adversely affect the market price of our common stock. Furthermore, although we believe that a higher stock price, if achieved, may help generate investor interest and enhance our ability to attract and retain customers, suppliers, employees, and other service providers, we cannot be certain this will be the case. For example, we only have

approximately 23.5 million shares of common stock outstanding as of October 21, 2009. Implementation of a reverse stock split in the 1-for-10 to 1-for-100 range as contemplated would result in Proxim only having outstanding common stock in the range of 235,000 to 2.35 million shares. This reduced number of outstanding shares could significantly reduce the trading volume, interest of institutional investors, professional investors, and other members of the investing public in our common stock, and otherwise adversely affect the liquidity of our common stock.

Implementation and General Effects of Reverse Stock Split

If approved by stockholders at the annual meeting and implemented by the board of directors, the reverse stock split would have the following effects:

- depending on the reverse stock split ratio determined by the Board of Directors (which will be between one-for-ten shares and one-for-one hundred shares), between every ten and one hundred shares of our common stock owned by a stockholder would automatically be changed into and become one new share of our common stock;
- the number of shares of our common stock issued and outstanding would be reduced proportionately;
- after the effective time of the reverse stock split, our common stock would have a new Committee on Uniform Securities Identification Procedures (“CUSIP”) number, which is a number used to identify our equity securities, and stock certificates with the older CUSIP number would need to be exchanged for stock certificates with the new CUSIP number by following the procedures described below;
- any stockholder holding fewer than the number of shares established by the Board of Directors as the reverse split ratio in their account at the time of the reverse split (between ten and one hundred shares) would receive a cash payment instead of a fractional share of stock;
- proportionate adjustments would be made to the per share conversion price and the number of shares of common stock issuable upon conversion of our outstanding Series A Convertible Preferred Stock, which will result in approximately the same aggregate price being required to be paid for the common shares upon conversion of those preferred shares as immediately preceding the reverse stock split;
- proportionate adjustments would be made to the per share exercise price and the number of shares issuable upon the exercise of all outstanding options and warrants entitling the holders thereof to purchase shares of our common stock, which will result in approximately the same aggregate price being required to be paid for the common shares upon exercise of such options and warrants as immediately preceding the reverse stock split (with the number of shares subject to that option or warrant being rounded up to the next whole share if, after the reverse split, the option or warrant otherwise would have entitled the holder to purchase a fractional share of stock); and
- the number of shares reserved for issuance under our existing stock plans and in connection with conversion of our outstanding Series A Convertible Preferred Stock would be reduced proportionately based on the reverse stock split ratio determined by the Board of Directors.

The reverse stock split would be effected simultaneously for all of our common stock, and the exchange ratio will be the same for all of our common stock. The reverse stock split will affect all of our common and preferred stockholders uniformly and will not affect any stockholder’s percentage ownership interest in Proxim, except to the extent that the reverse stock split results in any of our stockholders owning a fractional share which will be cashed out.

Effects of Reverse Stock Split on Company

After the effectiveness of the reverse stock split, we do not anticipate that our financial condition, the percentage ownership of management, or any aspect of our business would materially change as a result of the reverse stock split. We do expect the number of our stockholders would decrease, perhaps significantly. The reverse stock split is not intended as, and would not have the effect of, a “going private” transaction under Rule 13e-3 of the Securities Exchange Act of 1934, as amended. We expect that our common stock would continued to trade on the OTCQX and that we would continue to be subject to the periodic reporting requirements of the OTCQX following the reverse stock split.

The following table contains approximate information relating to the Company’s common stock, as of October 21, 2009, under various potential reverse stock split ratios within the contemplated range (with the Board of Directors retaining full discretion to choose any ratio within the range of one-for-ten shares to one-for-one hundred shares):

	Pre-Reverse Split	1-for-10	1-for-25	1-for-50	1-for-100
Authorized Shares	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Shares Issued and Outstanding	23,519,069	2,351,906 ⁽¹⁾	940,762 ⁽¹⁾	470,381 ⁽¹⁾	235,190 ⁽¹⁾
Shares Reserved for Future Issuance Upon Conversion of Series A Preferred Stock	33,333,332	3,333,333	1,333,333	666,666	333,333
Shares Reserved for Future Issuance under Equity Compensation Plans (2).....	4,713,254	471,325	188,530	94,265	47,132
Shares Available for Future Issuance	38,434,345	93,843,436	97,537,375	98,768,688	99,384,345

(1) Does not reflect the cancellation of any fractional shares and payment of cash in lieu thereof.

(2) Includes shares reserved for future grants of options as well as shares that may be issued pursuant to outstanding options. As of October 21, 2009, 2,926,968 shares were reserved for future grants of options and 1,786,286 shares were reserved for issuance pursuant to outstanding options.

Thus, the reverse stock split would not change the number of shares of common stock Proxim is authorized to issue but would decrease the number of shares of common stock outstanding and reserved for issuance. These two factors combined would effectively increase the number of authorized and unissued shares of our common stock available for future issuance from approximately 38.4 million to between 93.8 million and 99.4 million. Following the reverse stock split, the Board of Directors will have the authority, subject to applicable securities laws and other legal and trading market requirements, to issue such authorized and unissued shares without further stockholder approval, upon such terms and conditions as the Board of Directors deems appropriate. These shares could be used for any corporate purpose including, among other purposes, future financing transactions, acquisitions or other strategic transactions, and employee recruitment and retention.

The proposed reverse stock split is not part of any plan to adopt a series of amendments having an anti-takeover effect. However, the additional shares of our common stock that would become available for issuance if the reverse stock split is approved and implemented could be issued in such a manner, and pursuant to such terms and conditions, that would make a change of control of Proxim or removal of our directors or management more difficult. For example, our Board of Directors could, without further stockholder approval, strategically sell shares of our common stock in a private transaction to purchasers who would oppose a takeover or favor our current board of directors. The reverse stock split is not being proposed in response to any such effort, nor are we aware of any effort.

We have no present plan, commitment, arrangement, understanding, or agreement regarding issuance of these additional shares of common stock. Because holders of our common stock have no preemptive or other subscription rights, the issuance of a substantial number of additional shares of common stock (either directly or

through the issuance of securities convertible into common stock) may result in dilution of your ownership interest in the Company.

Currently, we are authorized to issue up to a total of 4,500,000 shares of preferred stock, 2,500,000 shares of which are issued and outstanding as shares of Series A Convertible Preferred Stock and 1,250,000 shares of which are issued and outstanding as shares of Series B Non-Convertible Preferred Stock. The proposed reverse stock split would not affect the total authorized number of shares of preferred stock or the number of Series A Convertible Preferred Stock or Series B Non-Convertible Preferred Stock outstanding.

The par value of our common stock and preferred stock would remain at \$.01 per share after the reverse stock split. Because the number of shares of our outstanding common stock would decrease upon effectiveness of the reverse stock split, the stated capital on our balance sheet attributable to our common stock would be reduced proportionally from its present amount based on the reverse split ratio determined by the Board of Directors, and the additional paid-in-capital account (capital paid in excess of par value) would be credited with the amount by which the stated capital is reduced. If the reverse stock split is effected, all share and per share information in our financial statements will be restated to reflect the reverse stock split for all periods presented in our future filings, after the effective time of the reverse stock split, with the OTCQX. Shareholders' equity will remain unchanged.

Cash Paid for Fractional Shares

As mentioned above, any stockholder holding fewer than the number of shares established by the Board of Directors as the reverse split ratio in their account at the time of the reverse split (between ten and one hundred shares) would receive a cash payment instead of a fractional share of stock or scrip upon surrender of the certificate(s) representing such shares. These stockholders are referred to as "Cashed-Out Stockholders" in this document. This cash payment would equal the daily average of the highest and lowest sale prices per share of our common stock on the OTCQX averaged over a period of the twenty most recent trading days on which our common stock was traded ending on (and including) the effective date of the reverse stock split multiplied by the number of shares of pre-split common stock held by the Cashed-Out Stockholder that would otherwise have been exchanged for such fractional share, without interest. We expect to use our cash on hand to make these payments.

After the reverse stock split, Cashed-Out Stockholders would have no further interest in Proxim with respect to the cashed-out shares. These shares would no longer entitle those stockholders to any voting, dividend, or other rights except the right to receive cash for these shares. In addition, those stockholders would not be entitled to receive interest with respect to the period of time between the effective date of the reverse stock split and the date the stockholder receives payment for the cashed-out shares.

Cashed-Out Stockholders should note that we may be required, under applicable escheat laws, to pay sums due for fractional interests that are not claimed within a reasonable time after the effective time of the reverse stock split to the designated agent for certain jurisdictions. Thereafter, Cashed-Out Stockholders would have to seek to obtain them directly from the state to which they were paid.

NOTE: If you want to avoid being a Cashed-Out Stockholder and to continue to hold our common stock after the reverse stock split, you may do so by taking either of the following actions far enough in advance so that it is completed prior to the effective date of the reverse stock split:

- (1) purchase a sufficient number of shares of common stock so that you hold at least the number of shares of our common stock established by the Board of Directors as the reverse split ratio in one account prior to the Reverse Split; or
- (2) if applicable, consolidate your accounts so that you hold at least the number of shares of our common stock established by the Board of Directors as the reverse split ratio in one account prior to the Reverse Split.

You will be responsible for any brokerage commissions, services charges, and other fees associated with any purchases and/or account consolidations that you may choose to undertake.

Procedure for Effecting Reverse Stock Split and Exchange of Stock Certificates

If our stockholders approve and our Board of Directors decides to implement a reverse stock split, we would file an amendment to our Certificate of Incorporation, as amended to date, with the Secretary of State of the State of Delaware at a time as determined by the Board of Directors, but no later than the one-year anniversary of the December 8, 2009 annual meeting. That amendment would effect the reverse split at the time specified in the amendment, which we refer to as the “effective time.” Beginning at the effective time, each certificate representing shares of our common stock before the reverse stock split would automatically be deemed for all corporate purposes to evidence ownership of the number of full shares of common stock resulting from the reverse stock split. All shares issuable upon conversion of outstanding shares of Series A Convertible Preferred Stock and exercise of outstanding options and warrants would automatically be adjusted. The form of the proposed certificate of amendment to effect the reverse stock split is attached to this document as **Appendix A**. However, the text of the certificate of amendment is subject to modification to include such changes as may be required by the office of the Secretary of State of the State of Delaware and as our Board of Directors deems necessary or advisable to effect the reverse stock split (including to insert the applicable effective time and date of the reverse stock split as determined by the Board of Directors).

As soon as practicable after the effective time, stockholders would be notified that the reverse stock split has been effected. We expect that our stock transfer agent, Registrar and Transfer Company, would act as exchange agent for purposes of implementing the exchange of stock certificates or surrender of stock certificates for cash payments, as the case may be. Stockholders of record would receive a letter of transmittal requesting that they surrender the stock certificate(s) they currently hold for stock certificates reflecting the adjusted number of shares as a result of the reverse stock split and cash in lieu of any fractional shares. Persons who hold their shares in brokerage accounts or “street name” would not be required to take any further actions to effect the exchange of their certificates. No new certificate(s) would be issued to a stockholder unless the stockholder has surrendered the stockholder’s outstanding certificate(s), together with the properly completed and executed letter of transmittal, to the exchange agent. Until surrender, each certificate representing shares of our common stock before the reverse stock split would continue to be valid and would represent the adjusted number of shares rounded down to the nearest whole share. Certificates representing shares held by Cashed-Out Stockholders would only represent the right to receive the cash payment for those shares as described in this document. **Stockholders should not destroy any stock certificates and should not submit any certificates until they receive a letter of transmittal.**

Dissenter’s Rights

Under the General Corporation Law of the State of Delaware, our stockholders are not entitled to dissenter’s rights or appraisal rights with respect to the reverse stock split described in this document, and the Company will not independently provide stockholders with any such right.

Certain Federal Income Tax Consequences of the Reverse Stock Split

We have summarized below certain federal income tax consequences to Proxim and its stockholders resulting from the reverse stock split. This summary is based on U.S. federal income tax law existing as of the date of this document, and such tax laws may change, even retroactively. We have not sought and will not seek an opinion of counsel or a ruling from the Internal Revenue Service regarding the federal income tax consequences of the reverse stock split. This summary does not discuss all aspects of federal income taxation that may be important to you in light of your individual circumstances. Many stockholders (such as financial institutions, insurance companies, broker-dealers, tax-exempt organizations, and foreign persons) may be subject to special tax rules. Other stockholders may also be subject to special tax rules, including but not limited to: stockholders who received common stock as compensation for services or pursuant to the exercise of an employee stock option, or stockholders who have held, or will hold, stock as part of a straddle, hedging, or conversion transaction for federal income tax purposes. In addition, this summary does not discuss any state, local, foreign, or other tax considerations. This summary assumes that you are a U.S. citizen and have held, and will hold, your shares as

capital assets under the Internal Revenue Code. You should consult your tax advisor as to the particular federal, state, local, foreign, and other tax consequences, in light of your specific circumstances.

We believe that the reverse stock split will constitute a tax-free reorganization within the meaning of section 368 of the Internal Revenue Code. Accordingly, we expect that the reverse stock split will have the following material federal income tax consequences:

1. No gain or loss will be recognized by Proxim as a result of the reverse stock split.
2. If you receive shares of our common stock and no cash in the reverse stock split, you will not recognize any gain or loss as a result of the reverse stock split and you will have the same aggregate adjusted tax basis and holding period in your common stock as you had in such stock immediately prior to the reverse stock split.
3. If you receive solely cash as a result of the reverse stock split, you will recognize capital gain or loss equal to the difference between the cash you receive for your cashed-out stock and your aggregate adjusted tax basis in such stock.
4. If you receive both cash and shares of our common stock in the reverse stock split, you generally will recognize gain, but not loss, in an amount equal to the lesser of (i) the excess of the sum of the aggregate fair market value of your shares of our common stock plus the cash received over your adjusted tax basis in the shares, or (ii) the amount of cash received in the reverse stock split. Your aggregate adjusted tax basis in your shares of common stock held immediately after the reverse stock split will be equal to your aggregate adjusted tax basis in your shares of common stock held immediately prior to the reverse stock split, increased by any gain recognized in the reverse stock split, and decreased by the amount of cash received in the reverse stock split. You will have the same holding period in your common stock as you had in such stock immediately prior to the reverse stock split.
5. Any gain you recognize as a result of receiving solely cash or cash in addition to shares of our common stock in the reverse stock split will be capital gain, and will be short term capital gain if you held your shares for one year or less prior to the reverse stock split and long term capital gain if the shares were held more than one year.

Voting

The proposal to amend Proxim's Certificate of Incorporation, as amended to date, to effect a reverse stock split at a ratio to be determined by Proxim's Board of Directors within a range of one-for-ten shares to one-for-one hundred shares requires the affirmative vote of a majority of our outstanding stock entitled to vote on this proposal (as measured by voting power). Because the board of directors believes that the holders of our Series A Convertible Preferred Stock will vote in favor of the proposal to effect the reverse stock split and 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.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSAL TO AMEND PROXIM'S CERTIFICATE OF INCORPORATION, AS AMENDED TO DATE, TO EFFECT THE DESCRIBED REVERSE STOCK SPLIT.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

Our current directors and executive officers and their ages as of October 21, 2009 are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Pankaj S. Manglik	45	President, Chief Executive Officer, and Director
Thomas S. Twerdahl.....	60	Interim Chief Financial Officer and Treasurer
David L. Renauld	43	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	64	Director
Dr. Rao M. Papolu.....	53	Director
Robert A. Wiedemer.....	50	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 was 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. He is currently Managing Partner of Broadband Initiatives, LLC, a privately-held boutique consulting firm focused primarily on the wireless, telecom and technology sectors, a position he has held since 2002. From May 2005 to October 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. From December 1991 to April 1995, Mr. Howe worked in several positions with Sprint Corporation, including Director of Corporate Development. 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 is a member of the board of directors of Selectica, Inc., Ditech Networks, Altigen, Anacomp, Inc., Crossroads Systems, Dyntek, LCC International, and Alliance Semiconductor,

Inc. 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 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 Alliance Semiconductor Corporation, JDA Software Group, Inc., California Micro Devices Corporation, 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 Priceroundtheworld.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 2008 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 eighteen times during 2008. 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 2008 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 2008 was, independent as defined in the rules of the Nasdaq Stock Market.

The members of our Audit Committee during 2008 were Mr. Wiedemer (Chair), Mr. Gerdelman (until March 2008), Mr. Gullard (beginning in March 2008), and Mr. Howe. The members of our Audit Committee currently are Mr. Wiedemer (Chair), Mr. Gullard, and Mr. Howe. The Audit Committee held seven meetings during 2008. 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 2008 were Daniel A. Saginario (member and Chair until March 2008), Mr. Gerdelman (Chair beginning in March 2008), Mr. Gullard (beginning in March 2008), and Mr. Wiedemer. The members of our Compensation Committee currently are Messrs. Gerdelman (Chair), Gullard, Papolu (who joined in August 2009), and Wiedemer. The Compensation Committee held four meetings during 2008. 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 2008 were Mr. Gerdelman (Chair until March 2008), Mr. Gullard (member and Chair beginning in March 2008), Mr. Howe (beginning in March 2008), Mr. Saginario (until March 2008), and Mr. Wiedemer (until March 2008). The members of our Governance and Nominating Committee currently are Messrs. Gullard (Chair), Gerdelman, and Howe. The Governance and Nominating Committee held two meetings during 2008. 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 2008

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) (1)	Total (\$)
John W. Gerdelman	\$20,375	\$2,810 (2)	\$23,185
J. Michael Gullard	\$19,791	\$17,666 (3)	\$37,457
Alan B. Howe	\$28,125	\$38,310 (4)	\$66,435
Daniel A. Saginario	\$13,757	\$0 (5)	\$13,757
Robert A. Wiedemer.....	\$26,750	\$2,810 (6)	\$29,560

- (1) These amounts in this column reflect the Company’s accounting expense for these awards and do not correspond to the actual value that will be recognized by the named directors. Each of Messrs. Gerdelman, Howe, and Wiedemer was granted a fully-vested option to purchase 15,000 shares of our common stock on September 30, 2008 with an exercise price per share of \$0.38. The grant date fair value of each of these options, computed in accordance with SFAS 123R, is \$0.19. Mr. Gullard was granted options to purchase 50,000 shares of our common stock on November 7, 2007 with an exercise price per share of \$1.22, 33,332 of which options were vested as of December 31, 2008. The grant date fair value of Mr. Gullard’s options, computed in accordance with SFAS 123R, is \$1.06. Mr. Howe was granted options to purchase 50,000 shares of our common stock on May 23, 2007 with an exercise price per share of \$2.31, 33,332 of which options were vested as of December 31, 2008. The grant date fair value of Mr. Howe’s options, computed in accordance with SFAS 123R, is \$2.13. All options to purchase shares of our common stock that had been granted to our directors prior to 2007 were fully vested prior to 2007. For additional information on the valuation assumptions, refer to note 13 to our financial statements in our annual report on Form 10-K for the year ended December 31, 2008 as filed with the SEC.
- (2) As of December 31, 2008, Mr. Gerdelman had fully-vested options outstanding to purchase 72,500 shares of our common stock.
- (3) As of December 31, 2008, Mr. Gullard had vested options outstanding to purchase 33,332 shares of our common stock with 16,668 additional options vesting on November 7, 2009.
- (4) As of December 31, 2008, Mr. Howe had vested options outstanding to purchase 48,332 shares of our common stock with 16,668 additional options vesting on May 23, 2009.
- (5) As of December 31, 2008, Mr. Saginario had fully-vested options outstanding to purchase 12,500 shares of our common stock. Mr.

Saginario retired from our board of directors in May 2008. As a result of his retirement, vested options to purchase 63,750 shares of our stock held by Mr. Saginario expired unexercised in August 2008: 15,000 at \$2.31 per share; 15,000 at \$2.40 per share; 15,000 at \$2.41 per share; 15,000 at \$2.47 per share; and 3,750 at \$2.50 per share.

(6) As of December 31, 2008, Mr. Wiedemer had fully-vested options outstanding to purchase 87,500 shares of our common stock.

All of the director compensation described in the foregoing table was paid and granted 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 be independent for Nasdaq Stock Market purposes, which determination is based upon applicable Nasdaq listing standards, applicable SEC rules and regulations, 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
- 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 his affiliated entities) now together control approximately 65% 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 October 21, 2009 (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 29%. 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 two transactions with Mr. Miller in the preceding two fiscal years.

First, Mr. Miller and a company controlled by him were two of the parties who purchased common stock and warrants from us in a private placement in July 2007. In that transaction, we sold 4.3 million shares for an aggregate purchase price of \$7.525 million and issued warrants to purchase 2.15 million shares of our common stock at an exercise price of \$2.45 per share. Mr. Miller, personally and through his company, acquired a total of 1,850,000 of the 4.3 million shares issued for an aggregate purchase price of \$3,237,500 and received warrants to purchase an aggregate of 925,000 shares of our common stock. The documentation for that private placement contains various representations, warranties, covenants, indemnifications, and other terms relating to the private placement. In particular, the purchasers of the stock agreed not to engage in a variety of short sale transactions unless the bid price per share of our common stock is greater than \$3.00 or we fail to keep effective the registration statement relating to the stock and warrants when we are required to be so. We agreed not to enter into a variety of variable rate transactions on or before July 1, 2009. For one year after closing, we granted the purchasers rights of first refusal and participation relating to any subsequent capital-raising transaction in which the effective price per share is \$2.70 or less. We also entered into a registration rights agreement in which we agreed to file a registration statement on Form S-3 with the Securities and Exchange Commission within thirty days after the closing of the private placement to register the resale of the shares and the shares of common stock issuable upon exercise of the warrants. We did file that registration statement, and it was declared effective. In March 2009, Mr. Miller agreed to waive the requirement for us to keep that registration statement effective and we terminated the effectiveness of that registration statement. In November 2007, we repurchased all the common stock (and received back for cancellation all warrants) that had been issued in the private placement to all participants other than Mr. Miller and his company, who elected not to participate in the repurchase. The private placement was approved by our board of directors.

Second, 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, 2008 was \$170,000. No principal amount of this indebtedness to Mr. Miller was repaid through December 31, 2008. As of December 31, 2008, the principal amount outstanding was \$3,047,500 (which includes the original principal amount plus interest paid in kind). As discussed above under the subheading "*August 2009 Financing Transaction*," in August 2009 \$1.25 million of this indebtedness was cancelled. As of September 30, 2009, the principal amount outstanding was \$2,235,306 (which includes the original principal amount plus interest paid in kind less the cancelled portion).

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 October 21, 2009 (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 October 21, 2009 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 October 21, 2009 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 October 21, 2009	Number of Shares Beneficially Owned (Including the Number of Shares shown in the first column)	Percentage Beneficially Owned
Lloyd I. Miller, III 4550 Gordon Drive Naples, FL 34102 (1).....	1,250,000	21,470,606	37.0%
Milfam II L.P. (same address as Mr. Miller) (1).....	625,000	10,802,772	18.8%
SRA OSS Inc. 5300 Stevens Creek Blvd., Suite 460 San Jose, CA 95129 (2)	0	16,666,666	29.3%
Funds managed by Mobius Venture Capital 1050 Walnut Street, Ste 210 Boulder, CO 80302 (3).....	0	1,755,547	3.1%
Brean Murray Carret Group Inc. Tropic Isle Building, P.O. Box 3331 Road Town, Tortola British Virgin Islands VG 1110 (4)	0	1,201,501	2.1%
Pankaj Manglik (5)	800,000	830,000	1.4%
Thomas S. Twerdahl	19,300	20,550	*
David L. Renauld (6)	116,039	133,514	*
John W. Gerdelman	60,000	60,000	*
J. Michael Gullard.....	50,000	50,000	*
Alan B. Howe	65,000	68,300	*
Dr. Rao M. Papolu (2)	0	16,677,460	29.3%
Robert A. Wiedemer	87,500	87,575	*
All current executive officers and directors as a group (8 persons)	1,197,839	1,260,733	30.9%

* Less than 1%.

- (1) 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, particularly the Schedule 13D/A filed by Mr. Miller with the SEC on August 4, 2008. Based on these filings, 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.
- (2) 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 10,794 shares of common stock personally.

- (3) 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 17, 2009.
- (4) The number of shares beneficially owned by Brean Murray Carret Group Inc. is based solely on information contained in the Schedule 13D filed by Brean Murray Carret Group Inc. with the SEC on February 9, 2009. That Schedule 13D states that Brean Murray Carret Group Inc. has sole voting and dispositive control over the indicated shares but also provides further information about parties related to Brean Murray Carret Group Inc. who may have voting and/or dispositive control with respect to the indicated shares.
- (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 17,425 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

October 30, 2009

David L. Renauld, Secretary

Further information about Proxim is contained in (i) 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, (ii) the postings made by Proxim from time to time with the OTCQX (www.otcqx.com), 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 Form 10-K 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.

APPENDIX A

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION OF PROXIM WIRELESS CORPORATION

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, Proxim Wireless Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), does hereby certify as follows:

1. The name of the Corporation is Proxim Wireless Corporation, and the Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on May 5, 2003.
2. The Board of Directors of the Corporation has duly adopted a resolution pursuant to Section 242 of the General Corporation Law of the State of Delaware setting forth a proposed amendment to the Certificate of Incorporation of the Corporation, as amended to date, and declaring said amendment to be advisable.
3. The requisite stockholders of the Corporation have duly approved said proposed amendment in accordance with Section 242 of the General Corporation Law of the State of Delaware.
4. The amendment amends Article Fourth of the Certificate of Incorporation of the Corporation, as amended to date, by adding a new second and third paragraph thereto which read as follows:

"At the same time as the Certificate of Amendment in which this text is contained becomes effective (the "Effective Time"), the shares of Common Stock issued and outstanding immediately prior to the Effective Time and the shares of Common Stock issued and held in the treasury of the corporation immediately prior to the Effective Time, if any, are reclassified into a smaller number of shares such that each ten to one hundred shares of issued Common Stock immediately prior to the Effective Time is reclassified into one share of Common Stock, without increasing or decreasing the par value thereof, the exact ratio within the ten-to-one hundred range to be determined by the board of directors of the Corporation prior to the Effective Time and publicly announced by the Corporation. Notwithstanding the immediately preceding sentence, no fractional shares shall be issued and, in lieu thereof, upon surrender after the Effective Time of a certificate which formerly represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time, any person who would otherwise be entitled to a fractional share of Common Stock as a result of the reclassification, following the Effective Time, shall be entitled to receive a cash payment equal to the daily average of the highest and lowest sale prices per share of the Common Stock on the OTCQX averaged over a period of the twenty most recent trading days on which the Common Stock was traded ending on (and including) the date during which the Effective Time occurs multiplied by the number of shares of pre-split Common Stock held by such person that would otherwise have been exchanged for such fractional share, without interest.

Each stock certificate that, immediately prior to the Effective Time, represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time shall, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent that number of whole shares of Common Stock after the Effective Time into which the shares of Common Stock formerly represented by such certificate shall have been reclassified (as well as the right to receive cash in lieu of fractional shares of Common Stock after the Effective Time), provided, however, that each person of record holding a certificate that represented

shares of Common Stock that were issued and outstanding immediately prior to the Effective Time shall receive, upon surrender of such certificate, a new certificate evidencing and representing the number of whole shares of Common Stock after the Effective Time into which the shares of Common Stock formerly represented by such certificate shall have been reclassified.”

5. This Certificate of Amendment and the amendment to the certificate of incorporation of the Corporation, as amended to date, effected thereby shall become effective at ___:___ [a.m. / p.m.], eastern time, on _____, 20__.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by its Chief Executive Officer or other duly authorized officer this _____ day of _____, 20__.

PROXIM WIRELESS CORPORATION

By: _____
Name:
Title: