

PROXIM WIRELESS CORPORATION

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 25, 2016

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Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of Proxim Wireless Corporation, a Delaware corporation (“Proxim” or the “Company”), to be held on May 25, 2016, promptly at 9:00 a.m. local time, at Proxim’s principal executive offices at 47633 Westinghouse Drive, Fremont, CA 94539.

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

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

Stockholders of record at the close of business on March 31, 2016 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

David L. Renauld, Secretary

April 14, 2016

**PROXIM WIRELESS CORPORATION**  
47633 WESTINGHOUSE DRIVE  
FREMONT, CA 94539

**MEETING INFORMATION STATEMENT**  
**ANNUAL MEETING OF STOCKHOLDERS**

We are furnishing this meeting information statement to our stockholders in connection with the solicitation by our board of directors of proxies for use at the annual meeting of stockholders to be held on Wednesday, May 25, 2016 promptly at 9:00 a.m. at 47633 Westinghouse Drive, Fremont, CA 94539 and any adjournment thereof. This meeting information statement and accompanying proxy card will first be mailed to all stockholders entitled to vote at the meeting on or about April 14, 2016.

**Record Date and Outstanding Shares**

The board of directors has fixed the close of business on March 31, 2016 as the record date for determining stockholders entitled to notice of and to vote at the annual meeting. Accordingly, only holders of record of shares of our common stock and our voting preferred stock (our Series A Convertible Preferred Stock) at the close of business on that date will be entitled to notice of and to vote at the annual meeting and any adjournment thereof.

At the close of business on March 31, 2016, 234,715 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 373 shares of our common stock will be issued when the final former Telaxis Communications Corporation stockholders convert their shares of that company into shares of our common stock. Since those additional shares are committed to enable those conversions, we generally treat those additional shares as outstanding for our internal calculation purposes and also in this document (except when describing the quorum and the number of shares entitled to vote at the annual meeting). We believe this treatment gives a more accurate description of our capitalization. Therefore, including these additional shares, at the close of business on March 31, 2016, 235,088 shares of our common stock are treated as outstanding in this document (except when describing the quorum and the number of shares entitled to vote at the annual meeting).

At the close of business on March 31, 2016, 2,500,000 shares of our Series A Convertible Preferred Stock were outstanding and eligible to vote at the annual meeting.

Also at the close of business on March 31, 2016, 1,250,000 shares of our Series B Non-Convertible Preferred Stock were outstanding. These shares are not eligible to vote at the annual meeting.

**Quorum and Votes Required**

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

Therefore, holders of our common stock in the aggregate are entitled to cast 234,715 votes, and holders of our Series A Convertible Preferred Stock in the aggregate are entitled to cast 333,333 votes, for a total of 568,048 votes entitled to be cast at this annual meeting.

The presence in person or by properly executed proxy of the holders of a majority in voting power of our common stock and Series A Convertible Preferred Stock, treated as a single class, outstanding on the record date is necessary and sufficient to constitute a quorum at the annual meeting. In general, we will treat votes withheld from the nominees for election of directors and any abstentions as present or represented for purposes of determining the

existence of a quorum. We will not treat broker non-votes (if any) as present or represented for purposes of determining the existence of a quorum.

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

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

### **Proxy Voting and Revocation**

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

The board of directors does not know of any matters, other than the 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 five. Each of our directors is elected at each annual meeting of stockholders.

We currently have five members on our board of directors. The five current directors are Lee M. Gopadze, Alan B. Howe, Toru Kashima, Gregory D. Marzullo, and David J. Porte.

Mr. Porte is not standing for re-election at the upcoming annual meeting. Because this would leave a vacancy on the board, the board of directors has already established that the size of the board will be reduced from five members to four members effective as of the close of polls for election of directors at the upcoming annual meeting. The board may increase the size of the board in the future and add directors to fill the newly-created positions.

The board of directors has nominated Lee M. Gopadze, Alan B. Howe, Toru Kashima, and Gregory D. Marzullo for election as the four directors of the Company.

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

Mr. Howe was originally nominated for election as a director of the Company on the recommendation of Lloyd I. Miller, III, one of our largest stockholders.

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

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

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

**BOARD OF DIRECTORS AND EXECUTIVE OFFICERS**

Our directors and executive officers and their ages as of March 31, 2016 are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Gregory D. Marzullo .....	55	President and Chief Executive Officer and Director
David Sumi.....	54	Senior Vice President, Marketing and Product Line Management
David L. Renauld .....	50	Vice President, Corporate Affairs, General Counsel, and Secretary
Kevin Taylor.....	45	Vice President, Finance and Operations and Treasurer
Lee M. Gopadze .....	69	Chairman of the Board of Directors
Alan B. Howe .....	54	Director
Toru Kashima .....	63	Director
David J. Porte .....	52	Director

Gregory D. Marzullo has been our President and Chief Executive Officer and a director since September 2014. Greg has over 25 years of experience developing and leading go-to-market initiatives in the Americas, Asia-Pacific, and EMEA regions for both start-up and large multinational organizations. Greg has led global sales efforts

focusing on point to multipoint, WiMAX, free space optics, and line of sight and non-line of site microwave communications. Before joining Proxim, Greg was Senior Vice President of Worldwide Sales at Exalt Communications. He also spent four years at Navini Networks as EVP global sales. Greg held several executive positions in sales and marketing during a 10-year career at Nortel Networks. He began his career in operations and marketing at Bell Atlantic. Greg holds a Master of Business Administration from the Fuqua School of Business at Duke University and a Bachelor of Science from Virginia Tech.

David Sumi has been our Senior Vice President, Marketing and Product Line Management since January 2016. Prior to that, Mr. Sumi was a contributing technology consultant to a variety of Silicon Valley wireless communications companies (including Proxim). Between 2004 and 2009, Mr. Sumi held executive technology positions at SOMA and TeleCis where he led the Engineering and Product Management teams to translate complex technical capabilities into successful products. Mr. Sumi's engineering management skills were developed during his early years NorTel and SAIC. He graduated from the Georgia Institute of Technology with a Bachelor of Science in Applied Physics. He previously served as the Secretary of the WIMAX Forum.

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.

Kevin Taylor was our Vice President, Finance and Operations from July 2015 to April 2016. Mr. Taylor has 20+ years of progressive management experience in publicly traded companies, including Sunrise Telecom, Electroglas, and Globalstar. As the V.P of Finance and Operations, Mr. Taylor was responsible for the day-to-day operations of Proxim's worldwide finance and operations departments. Mr. Taylor is a graduate of California Polytechnic University of Pomona with a B.S. in Accounting.

Lee M. Gopadze has been a director since January 2011 and Chairman of the Board of Directors since September 2014. He was our President and Chief Executive Officer from January 2011 through September 2014. Prior to that, Mr. Gopadze was with Covad Communications for six years, most recently serving as the Senior Vice President and General Manager for Covad's Wholesale Business Division where he oversaw all sales, marketing, product management, and operations for that division. Mr. Gopadze also held similar positions with Covad's Branded Business and Wireless Divisions during his 6-year tenure there. Mr. Gopadze began his career in wireless communications in 1981. He has held a variety of senior executive positions in Marketing, Sales and Operations at the wireless subsidiaries of Metromedia Telecommunications, Southwestern Bell, and AirTouch Communications. From 1997 thru early 2000, Lee held the positions of Corporate Vice President - Marketing & Sales, Senior Vice President - Network Operations, and Senior Vice President - Corporate Planning & Development at Metricom Inc. In 2000, Mr. Gopadze left Metricom to co-found SkyRiver Communications Inc., a license-exempt broadband wireless carrier and served as its President and Chief Executive Officer. Mr. Gopadze holds a B.A. from the University of California at Los Angeles and an M.A. from the University of Southern California.

Alan B. Howe has been a director since May 2007 and Chairman of the Board of Directors from March 2008 through September 2014. He has served as the Co-founder and Managing Partner of Broadband Initiatives LLC, a boutique corporate advisory and consulting firm, since 2001. Currently, he has a consulting arrangement where he is Interim Chief Executive Officer at Sunrise Telecom, Inc. He served as Vice President of Strategic and Wireless Business Development for Covad Communications, Inc., a national broadband telecommunications company, from May 2005 to October 2008. He served as CFO and Vice President of Corporate Development for Teletrac, Inc. from April 1995 to April 2001. Previously, he held various executive management positions for Sprint PCS and Manufacturers Hanover Trust Company. He is currently a board member and Vice Chairman of Determine Inc. (NASDAQ: DTRM) and also a board member at Data I/O (NASDAQ: DAIO) and has served on a number of private and public boards including Chairman of Ditech Networks (NASDAQ: DITC). He has a Masters of Business Administration from Indiana University and a Bachelors of Science – Business Administration and Marketing from University of Illinois. Mr. Howe was originally recommended to be a member of our board of directors by Lloyd I. Miller, III, our largest stockholder.

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

David J. Porte has been a director since May 2011. Since June 2013 he has been Vice President, International for SBA Communications Corporation, one of the world's largest owners of wireless telecommunication infrastructure. Prior to joining SBA, from April 2010, Mr. Porte was Chief Operations Officer of Telecom Global Inc., which owns and operates a global portfolio of telecommunications services and infrastructure companies focused on designing, building and operating wireless and terrestrial networks. During the same period, Mr. Porte was Chairman of WFI and served as President and Chairman of Opticore. From June 2008 to April 2010, he was Chief Executive Officer of WFI prior to its purchase by Telecom Global. From October 2006 to May 2008, he was Vice President of Powerwave Technologies, a telecommunications equipment supplier. From March 2004 to August 2006, he was Chief Executive Officer of OpenCell Corporation, also a telecommunications equipment supplier. Mr. Porte has previously served on the boards of Telicore, Verestar, WFI and Opticore.

There are no family relationships among our directors and executive officers. 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, 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 or to any individual director or group of directors to whom the communication is directed, as applicable, if the communication is relevant to our business and financial operations, policies, and corporate philosophies.

### 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 eight times during 2015. None of our incumbent directors attended fewer than 75% of the total number of meetings of the board during the period he served as a director.

Effective May 2014, our board of directors decided to eliminate the board committees and to conduct business at the board level.

### Non-Management Directors' Compensation for Fiscal 2016

<u>Name</u>	<u>Fees Paid in Cash</u>	<u>Stock Options</u>
Lee M. Gopadze .....	\$6,750.00	-
Alan B. Howe .....	\$17,000.00	150 (1)
Toru Kashima .....	-	-
David J. Porte .....	\$17,000.00	150 (1)

(1) In 2015, each of Messrs. Howe and Porte was granted fully-vested options to purchase 150 shares of our common stock at a per share exercise price of \$0.46 per share.

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

The policy statement contemplates the following cash compensation:

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

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

The policy statement also contemplates the following equity compensation:

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

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

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

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

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

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

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

Mr. Miller holds no board or management position with our company. One of our current directors, Mr. Howe, was originally nominated for election as a director of the Company on the recommendation of Mr. Miller.

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

#### *Equity Ownership of Two Controlling Parties*

SRA OSS and Mr. Miller together controlled approximately 59% of the outstanding "as-converted" stockholder voting power of Proxim as of March 31, 2016. As of that date (the record date for this annual meeting), Proxim had 235,088 shares of common stock outstanding, 2,500,000 shares of Series A Convertible Preferred Stock outstanding, and 1,250,000 shares of Series B Non-Convertible Preferred Stock outstanding. As of that date, each of SRA OSS and Mr. Miller owned 1,250,000 shares of our Series A preferred stock and SRA OSS owned all of our Series B preferred stock. As described in this document, the holders of our common stock and the holders of our Series A preferred stock generally vote together as a single class on items presented for a stockholder vote (with the holders of Series A stock having approximately 0.1333 votes for each share of Series A stock for a total of approximately 333,333 votes). The holders of the Series B preferred stock generally do not have rights to vote on matters submitted to our stockholders. As a result, on an "as converted" basis, as of March 31, 2016, there were approximately 568,421 votes that may be cast on items presented for a stockholder vote, of which each of Mr. Miller and SRA OSS controls approximately 29%. Therefore, Mr. Miller and SRA OSS together currently can determine the outcome of most items submitted to the stockholders for approval regardless of how any other stockholder acts.

SRA OSS and Mr. Miller purchased the Series A and Series B preferred stock from Proxim in a private placement that occurred in August 2009, the terms of which have previously been summarized in Proxim's publicly-available materials. In March 2012, the terms of the Series A and Series B preferred stock were amended to extend the date after which the holders of that preferred stock and the company may request redemption of that stock from August 2012 to January 1, 2016. In April 2013, the terms of the Series A and Series B preferred stock were amended to reduce the applicable dividend rates by half for a period of one year (through April 18, 2014).

As of March 31, 2016, SRA OSS and Mr. Miller also had the ability to purchase 1,003,438 additional shares of Proxim common stock through the exercise of warrants that have been granted to them. Additional details about these warrants as of that date are described in the table below. These warrants were issued to SRA OSS and Mr. Miller in connection with those entities lending money to Proxim.

Mr. Miller's Warrants			SRA OSS' Warrants		
Quantity	Exercise Price	Expiration Date	Quantity	Exercise Price	Expiration Date
7,266	\$9.35	4/15/16	7,266	\$5.10	6/30/16
5,450	\$3.21	10/7/16	5,450	\$3.21	10/11/16
153,068	\$1.89	3/15/17	153,068	\$1.89	3/15/17
13,354	\$1.61	5/22/17	13,354	\$1.61	5/23/17
13,585	\$1.20	10/12/17	13,585	\$1.20	10/12/17
41,592	\$0.55	1/17/18	41,592	\$0.55	1/17/18
37,692	\$0.74	4/11/18	94,231	\$0.67	4/19/18
56,539	\$0.67	4/19/18	18,846	\$0.61	7/10/18
18,846	\$0.61	7/10/18	17,682	\$0.50	8/15/18
12,500	\$15.00	7/25/18	33,597	\$0.52	9/9/18
17,682	\$0.50	8/15/18	37,897	\$1.20	11/18/18
33,597	\$0.52	9/9/18	18,901	\$1.08	1/2/19
37,897	\$1.20	11/18/18	4,000	\$0.67	9/23/19
18,901	\$1.08	1/2/19	2,500	\$0.77	10/31/19
4,000	\$0.67	9/23/19	6,750	\$0.65	1/15/20
2,500	\$0.77	10/31/19	8,000	\$0.49	6/15/20
3,375	\$0.65	1/15/20	5,000	\$1.65	9/15/20
3,375	\$0.65	1/16/20	5,000	\$2.33	12/17/20
8,000	\$0.49	6/15/20	8,750	\$1.41	3/25/21
5,000	\$1.65	9/15/20			
5,000	\$2.33	12/17/20			
8,750	\$1.41	3/25/21			

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

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

#### *Senior Loan Facility*

In January 2011, Proxim entered into a senior loan facility with SRA OSS and Mr. Miller, as previously described in Proxim's publicly-available materials. Under this senior loan facility, Proxim to date has borrowed an aggregate principal amount of \$29.4 million and has prepaid principal of \$4.5 million (including \$250,000 of capitalized interest). These amounts are secured by a security interest in Proxim's assets. The maturity date of amounts outstanding under this facility has been extended to January 4, 2017. As of December 31, 2015, the outstanding principal amount (including capitalized interest) under this senior loan facility was \$27.8 million.

#### *Subordinated Loan Facility*

In July 2008, Proxim borrowed \$3.0 million from Mr. Miller, as previously described in Proxim's publicly-available materials. These amounts are secured by a security interest in Proxim's assets and have been subordinated to the amounts outstanding under Proxim's senior loan facility described above. In March 2012, the maturity of this subordinated loan was extended to January 1, 2016. In April 2013, the interest rate applicable to this subordinated loan was reduced by half for a period of one year (through April 18, 2014). In September 2015, the maturity of this subordinated loan was extended to January 4, 2017. As of December 31, 2015, the outstanding principal amount (including capitalized interest) under this subordinated loan facility was \$6.7 million.

#### *Related Party Transaction Consideration*

We do not have a written policy specifically addressing approval of related party transactions. Our Statement of Business Conduct and Code of Ethics contains provisions specifically addressing actual or apparent conflicts of interest that could affect the duty of loyalty we believe all of our directors, officers, and employees owe the Company. Under that policy, all actual and reasonably apparent conflicts of interest must be promptly disclosed

and terminated unless approved. Such approvals must be made by (i) our Chief Executive Officer in the case of a Company employee, (ii) the Chairperson of our board of directors in the case of a Company officer, or (iii) the non-interested members of our board of directors in the case of a director.

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

The following table provides information regarding the beneficial ownership of our outstanding voting capital stock as of March 31, 2016 (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 directors,
- each of our executive officers, and
- all of our directors and executive officers as a group.

Beneficial ownership is determined under rules of the Securities and Exchange Commission and includes shares over which the beneficial owner exercises voting or investment power. The percentage beneficially owned by each person is based upon 568,421 shares, which is the sum of the 235,088 shares of our common stock outstanding on March 31, 2016 plus the 333,333 shares of our common stock into which the outstanding shares of our Series A Convertible Preferred Stock are convertible. Shares of common stock that we may issue upon the exercise of options or warrants currently exercisable or exercisable within 60 days of March 31, 2016 are deemed outstanding for computing the percentage ownership of the person holding the options or warrants but are not deemed outstanding for computing the percentage ownership of any other person. Except as otherwise indicated, we believe the beneficial owners of the common stock listed below, based on information furnished by them, have sole voting and investment power over the number of shares listed opposite their names.

Name of Beneficial Owner	Shares Issuable pursuant to Options and Warrants Exercisable within 60 days of March 31, 2016	Number of Shares Beneficially Owned (Including the Number of Shares shown in the first column)	Percentage Beneficially Owned
Lloyd I. Miller, III 3300 S. Dixie Highway, Suite 1-365 West Palm Beach, FL 33405 (1).....	507,969	674,635	62.7%
Milfam II L.P. (same address as Mr. Miller) (1).....	285,448	368,781	43.2%
SRA OSS Inc. 4675 Stevens Creek Blvd., #130 San Jose, CA 95051 (2) .....	495,469	662,135	62.2%
Gregory D. Marzullo .....	0	0	*
David Sumi .....	0	0	*
David L. Renauld .....	6,000	6,000	1.0%
Kevin Taylor .....	0	0	*
Lee M. Gopadze.....	0	0	*
Alan B. Howe.....	750	783	*
Toru Kashima (2).....	495,469	662,135	62.2%
David J. Porte.....	1,100	1,100	*
All executive officers and directors as a group (8 persons).....	503,319	670,018	62.5%

\* Less than 1%.

(1) The number of shares beneficially owned by Mr. Miller is based on information provided to us by Mr. Miller. Based on this information, we believe that (1) Mr. Miller has the right to acquire 166,071 shares of our common stock upon exercise of warrants; (2) Mr. Miller has sole voting and dispositive power of the 285,448 shares of our common stock that may be acquired upon exercise of warrants held by

Milfam II L.P.; (3) Mr. Miller has sole voting and dispositive power of the 22,325 shares of our common stock that may be acquired upon exercise of warrants held by Milfam I L.P.; (4) Mr. Miller has sole voting and dispositive power of the 26,125 shares of our common stock that may be acquired upon exercise of warrants held by Catherine Miller Trust C; and (5) Mr. Miller has sole voting and dispositive power of the 8,000 shares of our common stock that may be acquired upon exercise of warrants held by Trust A-4. Further, Mr. Miller and Milfam II L.P. each own 625,000 shares of our Series A Convertible Preferred Stock which is convertible into 83,333 shares of our common stock. Mr. Miller disclaims beneficial ownership of the shares beneficially held by Milfam II L.P., Milfam I L.P., Catherine Miller Trust C, and Trust A-4 except to the extent of his pecuniary interest in those shares.

- (2) SRA OSS Inc. owns 1,250,000 shares of our Series A Convertible Preferred Stock which is convertible into 166,666 shares of our common stock and has the right to acquire an additional 495,469 shares of our common stock upon exercise of warrants. SRA OSS Inc. is wholly owned by SRA Inc. Mr. Kashima is President, Chief Executive Officer, and Chairman of SRA Inc. We believe that Mr. Kashima disclaims beneficial ownership of the shares beneficially held by SRA OSS Inc. except to the extent of his pecuniary interest in those shares.

## **OTHER MATTERS**

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

By Order of the Board of Directors

/s/ David L. Renauld

April 14, 2016

David L. Renauld, Secretary