Rubicon Technology, Inc.
Form PRER14A
May 13, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. 1)

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

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Rubicon Technology, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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(1) Amount Previously Paid:

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MAY 13, 2016

RUBICON TECHNOLOGY, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON [ ], 2016

As a stockholder of RUBICON TECHNOLOGY, INC., a Delaware corporation (the Company, we, us or our), you are cordially invited to atter the Annual Meeting of Stockholders of the Company (the Annual Meeting) to be held at [ ], at 8:00 a.m. local time on [ ], 2016, for the following purposes:

1. To elect two director nominees, Don N. Aquilano and Donald R. Caldwell, or any others properly nominated in accordance with Section 2.10 of our amended and restated bylaws for a three-year term;

2. To ratify the selection of Grant Thornton LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2016;

3. To approve the Rubicon Technology, Inc. 2016 Stock Incentive Plan, including approval of the material terms of the plan in accordance with the approval requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended; and

4. To transact such other business as may properly come before the meeting or any continuation or adjournment thereof.

Our Board of Directors has fixed the close of business on [ ], 2016 as the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting and at any postponement or adjournment thereof.

Your vote will be especially important at the Annual Meeting. As you may be aware, Paragon Technologies, Inc., a Delaware corporation (Paragon), has notified us that it intends to nominate two individuals for election as directors at the Annual Meeting in opposition to the two nominees proposed by our Board of Directors. Our Board of Directors does not endorse any of Paragon s nominees and unanimously recommends that you vote FOR the election of each of the two nominees proposed by our Board of Directors on the **WHITE** proxy card.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE ANNUAL MEETING WHETHER OR NOT YOU ARE PERSONALLY ABLE TO ATTEND. ACCORDINGLY, AFTER READING THE ACCOMPANYING PROXY STATEMENT, PLEASE PROMPTLY SUBMIT YOUR PROXY BY TELEPHONE, INTERNET OR MAIL AS DESCRIBED ON THE WHITE PROXY CARD.

If you vote using a proxy card sent to you by Paragon, you can subsequently revoke it by following the instructions on the **WHITE** proxy card in the postage-paid envelope provided. Only your latest dated proxy will count. Any proxy may be revoked at any time prior to its exercise at the Annual Meeting as described in the accompanying proxy statement.

BY ORDER OF THE BOARD OF DIRECTORS,

MARDEL A. GRAFFY

SECRETARY

Bensenville, Illinois

[ ], 2016

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting of Stockholders to Be Held on [ ], 2016.

This Proxy Statement and the 2015 Annual Report are available at:

[ ]

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RUBICON TECHNOLOGY, INC.

PROXY STATEMENT

FOR

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON [ ], 2016

This proxy statement, along with a WHITE proxy card or voting instruction form and our 2015 Annual Report, is first being mailed to stockholders on or about [ ], 2016

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS, ANNUAL MEETING AND VOTING

1. Why am I receiving these materials?

The Board of Directors (the Board) of Rubicon Technology, Inc., a Delaware corporation (Rubicon, the Company, we, us, or our) is solic your proxy to vote at our 2016 Annual Meeting of Stockholders (the Annual Meeting) because you owned shares of our common stock at the close of business on [ ], 2016, the record date for the Annual Meeting, and, therefore, are entitled to vote at the Annual Meeting. The proxies also may be voted at any continuations, adjournments or postponements of the Annual Meeting. This proxy statement, along with a **WHITE** proxy card or voting instruction form and our 2015 Annual Report, is first being mailed to stockholders on or about [ ], 2016. We will also post this proxy statement, the meeting notice and our 2015 Annual Report on the Internet at [ ] on or about [ ], 2016. This proxy statement contains information you may use when deciding how to vote in connection with the Annual Meeting.

2. When and where is the Annual Meeting, and who may attend?

The Annual Meeting will be held on [ ], 2016 (the Annual Meeting Date) at 8:00 a.m. local time, at [ ]. Stockholders who are entitled to vote and our invited guests may attend the Annual Meeting. You can obtain directions to the meeting location at http://[ ].

3. What do I need to attend the Annual Meeting?

Stockholders of Record. If you are a stockholder of record and plan to attend the Annual Meeting, please bring photo identification.

Beneficial Owners. If you are a beneficial owner and you plan to attend the Annual Meeting, you must present proof of your ownership of Rubicon shares as of [ ], 2016, such as a bank or brokerage account statement or a letter from the bank, broker or other nominee indicating that you are the beneficial owner of the shares, as well as photo identification. If you wish to vote at the Annual Meeting, you must also obtain a signed proxy from your bank, broker, trustee or other nominee who holds the shares on your behalf in order to cast your vote.

The answer to Question 12 describes the difference between stockholders of record and beneficial owners.

4. Who is soliciting my proxy?

The Board, on behalf of the Company, is soliciting your proxy to vote your shares of our common stock on all matters scheduled to come before the Annual Meeting, whether or not you attend in person. By completing, signing, dating and returning the **WHITE** proxy card or voting instruction form, or by submitting your proxy and voting instructions by telephone or via the Internet, you are authorizing the persons named as proxies to vote your shares of our common stock at the Annual Meeting as you have instructed.

Paragon Technologies, Inc. (Paragon) has notified us of its intention to nominate two individuals for election at the Annual Meeting in opposition to the two nominees proposed by our Board. **Paragon s nominees have NOT been endorsed by our Board.** You may receive proxy solicitation materials from Paragon, including a proxy statement and proxy cards. **The Board recommends that you disregard them.** We are not responsible for the accuracy of any information provided by or relating to Paragon or the nominees contained in any proxy solicitation materials filed or disseminated by, or on behalf of, Paragon or any other statements that Paragon or its representatives have made or may otherwise make.

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5. What proposals are being presented for stockholder vote at the Annual Meeting?

There are three proposals from Rubicon to be considered and voted on at the Annual Meeting:

1. Proposal 1: To elect two director nominees, Don N. Aquilano and Donald R. Caldwell, or any others properly nominated in accordance with Section 2.10 of our amended and restated bylaws (the bylaws) for a three-year term (see page 9).

2. Proposal 2: To ratify the selection of Grant Thornton LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2016 (see page 33).

3. Proposal 3: To approve the Rubicon Technology, Inc. 2016 Stock Incentive Plan, including approval of the material terms of the plan in accordance with the approval requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code) (see page 35).

6. How does the Board of Directors recommend that I vote?

Our Board recommends that you vote your shares

FOR the election of Don N. Aquilano and Donald R. Caldwell as directors;

FOR the ratification of the selection of Grant Thornton LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2016; and

FOR the approval of the Rubicon Technology, Inc. 2016 Stock Incentive Plan, including all the material terms thereof for purposes of Section 162(m) of the Code.

7. Are there any other matters to be acted upon at the Annual Meeting?

We do not expect any matters to be presented for action at the Annual Meeting other than the matters described in this proxy statement. However, by signing, dating and returning a **WHITE** proxy card or submitting your proxy and voting instructions by telephone or via the Internet, you will give to the persons named as proxies discretionary voting authority with respect to any matter that may properly come before the Annual Meeting and of which we did not have notice at least 45 days before the anniversary date on which we first sent our proxy materials for our 2015 annual meeting of stockholders or by April 24, 2016, which is the date specified by the advance notice provisions set forth in our bylaws, and they intend to vote on any such other matter in accordance with their best judgment.

8. Who is entitled to vote at the Annual Meeting?

You are entitled to vote at the Annual Meeting if you owned shares of our common stock as of the close of business on the record date, [ ], 2016. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting and there is no cumulative voting. As of [ ], 2016, we had [ ] shares of common stock outstanding. Both Delaware law and our bylaws require our Board of Directors to establish a record date in order to determine who is entitled to receive notice of the Annual Meeting, and to attend and vote at the Annual Meeting and any continuations, adjournments or postponements thereof.

9. How many stockholders must be present to hold the Annual Meeting?

Under Delaware law and our bylaws, holders of a majority of our outstanding shares of common stock as of the close of business on [ ], 2016 must be present in person or represented by proxy at the Annual Meeting. This is referred to as a quorum. The inspector of election will determine whether a quorum is present at the Annual Meeting. As of [ ], 2016, we had [ ] shares of common stock outstanding. Accordingly, the presence of the holders of common stock representing at least [ ] shares will be required to establish a quorum. Your shares are counted as present if you attend the Annual Meeting and vote in person or if you properly return a proxy over the Internet, by telephone or by mail. Abstentions and broker non-votes, if any, will be counted for purposes of establishing a quorum.

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10. What happens if I do not submit voting instructions for a proposal? What is discretionary voting? What is a broker non-vote?

If you properly complete, sign, date and return a **WHITE** proxy card or voting instruction form, your shares of our common stock will be voted as you specify. If you are a stockholder of record and you sign and return a **WHITE** proxy card, but make no specifications on such proxy card, your shares of our common stock will be voted in accordance with the recommendations of our Board, as provided above. If you are a beneficial owner and you do not provide voting instructions to your bank, broker, trustee or other nominee holding shares of our common stock for you, your shares of our common stock will not be voted with respect to any proposal for which the stockholder of record does not have discretionary authority to vote. Rules of the New York Stock Exchange (NYSE) determine whether proposals presented at stockholder meetings are discretionary or non-discretionary. If a proposal is determined to be discretionary, your bank, broker, trustee or other nominee is permitted under NYSE rules to vote on the proposal without receiving voting instructions from you. If a proposal is determined to be non-discretionary, your bank, broker, trustee or other nominee is not permitted under NYSE rules to vote on the proposal without receiving voting instructions from you. A broker non-vote occurs when a bank, broker, trustee or other nominee holding shares for a beneficial owner returns a valid proxy, but does not vote on a particular proposal because it does not have discretionary authority to vote on the matter and has not received voting instructions from the stockholder for whom it is holding shares.

Because Paragon has initiated a proxy contest, to the extent that Paragon provides a card form to stockholders in street name, none of the proposals at the Annual Meeting are considered a discretionary matter. As a result, we encourage you to provide voting instructions to the bank, broker, trustee or other nominee that holds your shares by carefully following the instructions provided in their notice to you.

11. How many votes are needed to approve the proposals? What is the effect of abstentions and broker non-votes on the outcome of the proposals?

Proposal	Voting Options	Vote Required to Adopt the Proposal	Effect of Abstentions	Effect of Broker Non-Votes
No. 1: Election of two director nominees	For or withhold on each director nominee	Plurality of shares voted	N/A	No effect
No. 2: Ratification of the selection of our independent registered public accounting firm	For, against or abstain	Affirmative vote of a majority of the shares of common stock present in person or by proxy and entitled to vote	Treated as votes against	No effect
No. 3: Approval of our 2016 Stock Incentive Plan	For, against or abstain	Affirmative vote of a majority of the shares of common stock present in person or by proxy and entitled to vote	Treated as votes against	No effect

In contested elections (where the number of nominees exceeds the number of directors to be elected) and in uncontested elections, our directors are elected by a plurality of shares of our common stock voted. This means that the candidates receiving the highest number of FOR votes will be elected. Under our bylaws, all other

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matters require the affirmative vote of the holders of a majority of the shares of our common stock present in person or by proxy and entitled to vote, except as otherwise provided by statute, our certificate of incorporation or our bylaws. A properly executed card marked WITHHOLD with respect to the election of a director nominee will be counted for purposes of determining whether there is a quorum at the Annual Meeting, but will not be considered to have been voted for the director nominee.

As a result of Paragon s intention to propose two alternative director nominees in opposition to our Board s two nominees, there may be more than two nominees at the Annual Meeting, resulting in a contested election. ***THE ONLY WAY TO SUPPORT THE TWO NOMINEES OF OUR BOARD IS TO VOTE FOR THE BOARD S NOMINEES ON THE WHITE PROXY CARD. PLEASE DO NOT COMPLETE OR RETURN A PROXY CARD FROM PARAGON EVEN IF YOU VOTE AGAINST OR WITHHOLD ON PARAGON S DIRECTOR NOMINEES, BECAUSE DOING SO MAY CANCEL ANY PREVIOUS VOTE YOU CAST ON THE COMPANY S WHITE PROXY CARD.***

12. What is the difference between holding shares as a stockholder of record and as a beneficial owner?

If your shares are registered in your name on the books and records of our transfer agent, you are a stockholder of record. Rubicon sent the proxy materials directly to you.

If your shares are held for you in the name of your bank, broker, trustee or other nominee, your shares are held in street name and you are considered the beneficial owner. The proxy materials have been forwarded to you by your bank, broker, trustee or other nominee, who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your bank, broker, trustee or other nominee on how to vote your shares by using the voting instructions provided by your nominee. The answer to Question 10 describes brokers discretionary voting authority and when your bank, broker, trustee or other nominee is permitted to vote your shares without instructions from you. The answer to Question 3 describes how beneficial owners may attend the Annual Meeting.

13. How do I vote?

Stockholders of Record. If you are a stockholder of record, you may submit your **WHITE** proxy card and voting instructions by telephone or using the Internet or by mail as further described below. Your **WHITE** proxy card, whether submitted via telephone, the Internet or by mail, authorizes the individuals named as proxies on your **WHITE** proxy card to act as your proxies at the Annual Meeting, each with the power to appoint his or her substitute, to represent and vote your shares of our common stock as you directed, if applicable.

By Telephone. Call the toll-free telephone number on the enclosed **WHITE** proxy card and follow the recorded instructions.

By Internet. Access the secure Internet website registration page on the enclosed **WHITE** proxy card and follow the instructions.

By Mail. Sign, date and return your **WHITE** proxy card in the postage-paid envelope provided.

If you submit your **WHITE** proxy card and voting instructions via telephone or the Internet, you do not need to mail your **WHITE** proxy card. The individuals named as proxies on your **WHITE** proxy card will vote your shares of our common stock at the Annual Meeting as instructed by the latest dated proxy received from you, whether submitted via the Internet, telephone or by mail. You may also vote in person at the Annual Meeting.

Beneficial Owners. If your shares of our common stock are held in a stock brokerage account by a bank, broker, trustee or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your bank, broker, trustee or other nominee that is considered the

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stockholder of record of those shares. As the beneficial owner, you have the right to direct your bank, broker, trustee or other nominee on how to vote your shares of our common stock via the Internet or by telephone, if the bank, broker, trustee or other nominee offers these options or by completing, signing, dating and returning a voting instruction form. Your bank, broker, trustee or other nominee will send you instructions on how to submit your voting instructions for your shares of our common stock. If you wish to vote in person at the Annual Meeting, you must obtain a signed proxy from your bank, broker, trustee or other nominee who holds the shares on your behalf in order to cast your vote. For a discussion of the rules regarding the voting of shares of our common stock held by beneficial owners, please see the question above titled What happens if I do not submit voting instructions for a proposal? What is discretionary voting? What is a broker non-vote?

14. What does it mean if I receive more than one set of proxy materials?

Since Paragon has submitted alternative director nominees to the Board in opposition to the two nominees proposed by our Board, we may conduct multiple mailings prior to the Annual Meeting Date to ensure stockholders have our latest proxy information and materials to vote. In that event, we will send you a new **WHITE** proxy card or voting instruction form with each mailing, regardless of whether you have previously voted. You may also receive multiple sets of proxy materials, including multiple **WHITE** proxy cards, if you hold shares in more than one account please vote the **WHITE** proxy card for every account you own. The latest dated proxy you submit will be counted, and, **IF YOU WISH TO VOTE AS RECOMMENDED BY THE BOARD OF DIRECTORS THEN YOU SHOULD ONLY SUBMIT WHITE PROXY CARDS.**

15. What should I do if I receive a proxy card from Paragon?

Paragon has proposed two alternative director nominees for election at the Annual Meeting in opposition to the two nominees proposed by our Board. We expect that you may receive proxy solicitation materials from Paragon, including an opposition proxy statement and proxy card. **Our Board recommends that you disregard it.** We are not responsible for the accuracy of any information provided by or relating to Paragon or its nominees contained in any proxy solicitation materials filed or disseminated by, or on behalf of, Paragon or any other statements that Paragon or its representatives have made or may otherwise make. If you have already voted using the proxy card provided by Paragon, you have every right to change your vote by completing and returning the enclosed **WHITE** proxy card or by voting by telephone or via the Internet by following the instructions provided on the enclosed **WHITE** proxy card. Only the latest proxy you submit will be counted. **If you vote against Paragon s nominees using the proxy card sent to you by Paragon, your vote will not be counted as a vote for either of the director nominees recommended by our Board, but will result in the revocation of any previous vote you may have cast on the WHITE proxy card.** If you wish to vote pursuant to the recommendation of our Board, you should disregard any proxy card that you receive other than the **WHITE** proxy card. If you have any questions or need assistance voting, please call Innisfree M&A Incorporated (Innisfree), 501 Madison Avenue, 20th Floor, New York, NY 10022, our proxy solicitor, at 1-888-750-5834.

16. What can I do if I change my mind after I vote my shares?

If you are a stockholder of record, you can revoke your proxy before it is counted by (1) sending written notice of revocation that is dated later than the date of your proxy to Mardel A. Graffy, our Secretary, at our principal executive offices, which are located at 900 East Green Street, Bensenville, Illinois 60106, (2) timely delivering a valid, later-dated proxy that we receive no later than the conclusion of voting at the Annual Meeting, or (3) if you are present at the Annual Meeting and either vote in person or notify the corporate secretary in writing at the Annual Meeting of your wish to revoke your proxy. Your attendance alone at the Annual Meeting will not be enough to revoke your proxy.

If you have previously submitted a proxy card sent to you by Paragon, you may change your vote by completing and returning the enclosed **WHITE** proxy card in the accompanying postage-paid envelope or by voting by telephone or via the Internet by following the instructions on your **WHITE** proxy card or voting instruction form. Submitting a proxy card sent to you by Paragon will revoke votes you have previously made via the Company s **WHITE** proxy card.

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If you are a beneficial owner of shares of our common stock, you may submit new voting instructions by contacting your bank, broker or other nominee. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described in the answer to Question 13.

17. Who will pay for the cost of this proxy solicitation and how will the Company solicit votes?

We pay all expenses incurred in connection with this solicitation of proxies to vote at the Annual Meeting. We have retained Innisfree for an estimated fee of $[ ] plus reimbursement of out-of-pocket expenses that need not be approved by a vote of stockholders to assist in the solicitation of proxies and otherwise in connection with the Annual Meeting. Innisfree expects that approximately [35] of its employees will assist in the solicitation. We and our proxy solicitor will also request banks, brokers, trustees and other nominees holding shares of our common stock beneficially owned by others to forward these proxy materials to the beneficial owners and upon request we will reimburse such nominees for the customary costs of forwarding the proxy materials. The question of reimbursement will not be submitted to a vote by stockholders. Solicitation of proxies by mail may be supplemented by telephone, email and other electronic means, advertisements and personal solicitation by our directors, officers or employees. No additional compensation will be paid to directors, officers or employees for such solicitation efforts. Our aggregate expenses, including those of Innisfree, related to our solicitation of proxies, excluding salaries and wages of our regular employees, are expected to be approximately $[ ], of which approximately $[ ] has been incurred as of the date of this proxy statement.

Appendix B sets forth information relating to our directors and director nominees as well as certain of our officers and employees who are considered participants in our solicitation under the rules of the Securities and Exchange Commission (SEC) by reason of their position as directors and director nominees of the Company or because they may be soliciting proxies on our behalf.

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BACKGROUND TO THE SOLICITATION

On November 23, 2015, Mr. Hesham M. Gad, Chairman and Chief Executive Officer of Paragon, delivered a letter on behalf of Paragon to Messrs. Don N. Aquilano, our Chairman of the Board, and William F. Weissman, our Chief Executive Officer, requesting, among other things, that the Board appoint two Paragon director representatives to the Board and cease from making any new capital expenditures.

On January 12, 2016, Mr. Gad delivered another letter on behalf of Paragon to Messrs. Aquilano and Weissman, proposing a meeting between himself and Mr. Aquilano and also the nomination of himself and Mr. Jack H. Jacobs, a director of Paragon, to the Board.

The Nominating and Governance Committee of the Board subsequently interviewed and vetted Messrs. Gad and Jacobs. Upon the recommendation of the Nominating and Governance Committee, the Board thereafter indicated its willingness to appoint Mr. Jacobs to the Board to avoid a costly and distracting proxy contest. The Board came to the conclusion that Mr. Gad was unfit to serve on the Board for several reasons, including the Board s finding that Mr. Gad previously pleaded guilty to theft from a prior employer and was separately charged with making false statements to a government authority.

On March 28, 2016, Paragon rejected the Company s offer to appoint solely Mr. Jacobs to the Board and demanded the appointment of both Messrs. Gad and Jacobs.

On April 8, 2016, Thompson Hine LLP (Thompson Hine), as counsel to and on behalf of Paragon, sent a formal notice of intent to nominate Messrs. Gad and Jacobs as nominees for election to the Board at the Annual Meeting.

On April 11, 2016, Mr. Gad, on behalf of Paragon, delivered a letter to the Company demanding an inspection pursuant to applicable Delaware law of the Company s stockholder lists and certain other books and records.

On April 18, 2016, the Company issued a press release and filed a corresponding Form 8-K with the SEC disclosing that the Company had received the nomination notice.

On the same date, our outside legal counsel, Vinson & Elkins, L.L.P. (Vinson & Elkins), delivered a letter to Mr. Gad and Thompson Hine in response to the nomination notice. The letter stated that the nomination notice was deficient because, among other reasons, Paragon was not a stockholder of record on the date of submitting its nomination notice.

On the same date, Vinson & Elkins delivered a letter to Mr. Gad in response to Paragon s April 11, 2016 demand letter, noting that the Company was prepared to provide the requested information to which Paragon was entitled under applicable Delaware law, subject to certain objections regarding the scope and purpose of the demand. The letter asked Mr. Gad to submit a check made out to the Company s proxy solicitor, Innisfree, in the amount of $1,500 for the cost of providing the requested information. The letter also enclosed a customary confidentiality agreement to be signed by Paragon as a condition to providing the requested information.

On April 22, 2016, Paragon issued a press release announcing that it had initiated a proxy contest to elect Messrs. Gad and Jacobs as members of the Board.

On the same date, Thompson Hine sent a letter to the Company in response to the Vinson & Elkins letter dated April 18, 2016 regarding Paragon s nomination notice. The Thompson Hine letter purported to cure the deficiencies identified in the Vinson & Elkins letter.

On the same date, Thompson Hine sent another letter to the Company in response to the Vinson & Elkins letter dated April 18, 2016 regarding Paragon s demand letter. In the letter, Thompson Hine threatened to bring

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litigation against the Company if copies of the requested documents are not provided to Paragon within 48 hours after the record date for the Annual Meeting. Paragon also refused to pay the expenses of the Company and ignored the Company s request to execute a customary confidentiality agreement in connection with providing the requested information.

On April 29, 2016, Vinson & Elkins delivered a letter to Thompson Hine in response to the Thompson Hine letter dated April 22, 2016 regarding Paragon s nomination notice. The Vinson & Elkins letter confirmed that the Thompson Hine letter dated April 22, 2016 cured the deficiencies of Paragon s original nomination notice.

On the same date, Vinson & Elkins sent another letter to Thompson Hine in response to the Thompson Hine letter dated April 22, 2016 regarding Paragon s demand letter. The Vinson & Elkins letter reiterated that the Company remained prepared to promptly provide the requested information to which Paragon was entitled under applicable Delaware law, subject to certain objections regarding the scope and purpose of the demand under Delaware law. In the letter, Vinson & Elkins described the basis for such objections under Delaware law in detail. The letter also repeated the prior request for Mr. Gad to pay $1,500 for the cost of providing the requested information, noting that such a request was contemplated by the applicable Delaware statute. In addition, Vinson & Elkins again enclosed a customary confidentiality agreement to be signed by Paragon as a condition to providing the requested information.

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PROPOSAL 1:

ELECTION OF DIRECTORS

Our Board of Directors currently consists of five directors, who are divided into three classes with staggered three-year terms. Our bylaws permit our Board of Directors to establish by resolution the authorized number of directors. The current terms of our Class III directors Don N. Aquilano and Donald R. Caldwell will expire at this Annual Meeting. Following the recommendation of the Nominating and Governance Committee, the Board of Directors recommends the re-election of Don N. Aquilano and Donald R. Caldwell as directors, each for a three-year term.

The individuals named as proxies on the enclosed proxy card intend to vote your shares of common stock for the election of both nominees proposed by the Board, unless otherwise directed. Each of the Board s nominees has consented to serving as a nominee and being named as a nominee in this proxy statement, and to serving as a director if elected at the Annual Meeting. However, if, contrary to our present expectations, either of the nominees is unable to serve or for good cause will not serve, your proxy will be voted for a substitute nominee designated by our Board of Directors, unless otherwise directed.

All of our directors bring to our Board of Directors a wealth of executive leadership experience derived from their service as corporate executives as well as service as directors on other boards. When evaluating director candidates, the Nominating and Governance Committee takes into account all factors it considers appropriate, which include (a) ensuring that the Board of Directors, as a whole, is diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial expertise (including expertise that could qualify a director as a financial expert, as that term is defined by the rules of the SEC), and local or community ties and (b) minimum individual qualifications, including strength of character, mature judgment, familiarity with the Company s business and industry, independence of thought and an ability to work collegially. The Nominating and Governance Committee also considers geographical, cultural, experiential and other forms of diversity when evaluating director candidates. In addition, the Nominating and Governance Committee also may consider the extent to which the candidate would fill a present need on the Board of Directors. Information about the nominees for election as directors and about our other directors whose terms of office do not expire this year, including their business experience for the past five years, appears below.

NOMINEES FOR ELECTION TO A THREE-YEAR TERM (CLASS III)

Don N. Aquilano, 49, has served as a member of our Board of Directors since May 2002 and as the Chairman of our Board of Directors since May 2005. He currently serves as a member of our Audit and Nominating and Governance Committees. Since 2000, Mr. Aquilano has served as managing director and president of Gazelle TechVentures, a venture capital fund. Also, since 2004, Mr. Aquilano has served as managing partner of Blue Chip Venture Company, a venture capital fund, and since 2010 as general partner of Allos Ventures, a venture capital fund. Mr. Aquilano holds a BS from the University of Arizona and an MBA from Harvard Business School. We believe that Mr. Aquilano is qualified to serve on our Board of Directors based on his extensive experience in managing venture funds, which has resulted in financial expertise and knowledge of good governance practices. As Chairman, Mr. Aquilano has been actively involved with the Company s operations and the markets we serve for many years.

Donald R. Caldwell, 69, joined us in February 2001 as a member of our Board of Directors. He currently serves on our Compensation and Nominating and Governance Committees. Mr. Caldwell has served as the chairman and chief executive officer of Cross Atlantic Capital Partners, Inc., a venture capital fund manager, since March 1999 when he founded the company. Prior to founding Cross Atlantic Capital Partners, Mr. Caldwell was president and chief operating officer and a director of Safeguard Scientifics, Inc., a holding company which provides management resources and capital, from 1996 to 1999. In addition, from 1994 to 2010, Mr. Caldwell served as a director of Diamond Management & Technology Consultants, Inc., a management and technology consulting firm, and he also serves as a director of Fox Chase Bancorp Inc., the holding company of Fox Chase

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Bank, a Pennsylvania State-Chartered Savings Bank established in 1867, Quaker Chemical Corporation, a provider of process chemicals and chemical specialties, Haverford Trust Company, a provider of wealth advisory and investment management services, Voxware, Inc., a supplier of voice driven solutions, InsPro Technologies Corporation (formerly Health Benefits Direct Corporation), a leader in enterprise insurance policy administration systems supporting group, individual life, health, annuity and hybrid products, Amber Road (formerly Management Dynamics, Inc.), a provider of global trade management solutions for importers, exporters and logistic service providers, Rootstock Software, a provider of enterprise software solutions for discrete manufacturers, Sagence Group, Inc., a management advisory firm dedicated to helping clients maximize data assets, Stoneridge Investment Partners, LLC, a money management firm, and Lightning Gaming, Inc., a developer and marketer of automated poker tables and slot machines. In addition to Mr. Caldwell s role as a director of InsPro Technologies, he also assumed the roles of chairman and chief executive officer, effective January 2015. Mr. Caldwell was a CPA in the State of New York and holds a BS in accounting from Babson College and an MBA from the Harvard Business School. We believe that Mr. Caldwell is qualified to serve on our Board of Directors because of his extensive experience in corporate strategy development, corporate governance and financial expertise acquired through over 40 years of business experience.

Vote Required to Elect Director Nominees

Under our bylaws, our directors are elected by a plurality of the shares voted. For more information on the voting requirements, see Questions and Answers about the Proxy Materials, Annual Meeting and Voting.

Recommendation of Our Board of Directors

OUR BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR OUR TWO DIRECTOR NOMINEES, MESSRS. AQUILANO AND CALDWELL, EACH FOR A THREE-YEAR TERM.

DIRECTORS WHOSE TERMS DO NOT EXPIRE THIS YEAR

Class I Directors (Term Expiring at the 2017 Annual Meeting of Stockholders)

William F. Weissman, 57, has served as our President, Chief Executive Officer and as a member of our Board of Directors since December 2014. Prior to that, Mr. Weissman served as our Chief Financial Officer, Treasurer and Secretary after joining us in July 2007. From 1995 to 2007, Mr. Weissman served in various capacities at Kanbay International, Inc., an information technology services firm, including chief financial officer, vice president, executive vice president and secretary. Additionally, Mr. Weissman served as a manager of Kanbay LLC, Kanbay International, Inc. s immediate predecessor company, from December 1997 to August 2000. Mr. Weissman has also held various finance positions at Lockheed Electronics and Airco BOC. Mr. Weissman is a certified public accountant and holds a BA in business administration from Seton Hall University. Mr. Weissman s qualifications to serve on our Board of Directors include his years of experience as a financial and operating executive with publicly traded global firms including his almost eight years of experience as our Chief Financial Officer and his in-depth familiarity with our business and operations.

Raymond J. Spencer, 65, joined us in January 2008 as a member of our Board of Directors and also serves on our Compensation, Audit, and Nominating and Governance Committees. Since January 2011, Mr. Spencer has been the chairman of the South Australian Economic Development Board, chairman of the South Australian Health and Medical Institute and is a director of a number of private companies in the United States and Australia. From February 2007 to December 2009, Mr. Spencer served as chief executive officer of the Financial Services Strategic Business Unit of Capgemini SA, a provider of consulting, technology and outsourcing services. From February 1989 to February 2007, Mr. Spencer served as chairman and chief executive officer of Kanbay International, Inc., an information technology services firm. From 1970 to 1989, Mr. Spencer was employed by the Institute of Cultural Affairs (ICA), a not-for-profit development organization. At ICA,

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Mr. Spencer was the country head for India from 1970 to 1976 and was later involved in worldwide fundraising, government relations and investment operations. Mr. Spencer attended the Adelaide University School of Law. Mr. Spencer s qualifications to sit on our Board of Directors include his global perspective and knowledge gained through experience in founding several successful businesses and as a chief executive officer of a publicly traded global information technology firm.

Class II Director (Term Expiring at the 2018 Annual Meeting of Stockholders)

Michael E. Mikolajczyk, 64, served as a member of our Board of Directors from June 2001 until May 2002 and rejoined our Board of Directors in March 2004. Mr. Mikolajczyk also serves as a member of our Audit and Compensation Committees. Since September 2003, Mr. Mikolajczyk has served as managing director of Catalyst Capital Management, LLC, a private equity firm. From 2001 through 2003, Mr. Mikolajczyk worked as an independent consultant providing business and financial advisory services to early stage and mid-cap companies. Mr. Mikolajczyk also served as vice chairman of Diamond Management & Technology Consultants, Inc., a management and technology consulting firm, from 2000 to 2001, president from 1998 to 2000 and chief financial officer from 1994 to 1998. Mr. Mikolajczyk served as chief financial officer of Technology Solutions Company, a business solutions provider, from 1993 to 1994. Mr. Mikolajczyk also served as a director of Diamond Management & Technology Consultants, Inc. from 1994 to 2010 and served as director of Kanbay International, Inc. from 2004 to 2007. Mr. Mikolajczyk is a CPA in the State of Michigan and holds a BS in business from Wayne State University and an MBA from Harvard Business School. Mr. Mikolajczyk s qualifications to sit on our Board of Directors include his experience as an operating executive and his years of experience providing business and financial advisory services. Mr. Mikolajczyk is a financial expert with extensive experience in corporate governance.

CORPORATE GOVERNANCE

Director Independence

Our Board of Directors undertook a review of the independence of each director and considered whether any director has a material relationship with us that could compromise his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, our Board of Directors determined that Messrs. Aquilano, Caldwell, Mikolajczyk and Spencer, representing four of our five directors, are independent directors as defined under the rules of the NASDAQ Stock Market, constituting a majority of our Board of Directors as required by the rules of the NASDAQ Stock Market.

Board of Directors Leadership Structure

Our Board of Directors is led by an independent Chairman, Mr. Aquilano. Our Chief Executive Officer, Mr. Weissman, is the only member of the Board of Directors who is not an independent director. The Board has determined that having an independent Chairman is in the best interest of the Company s stockholders at this time. The Board believes that this leadership structure is appropriate because it strikes an effective balance between management and independent director participation in the Board process. The independent Chairman role allows our Chief Executive Officer to focus on his management responsibilities in leading the business, setting the strategic direction of the Company and optimizing the day-to-day performance and operations of the Company. At the same time, the independent Chairman can focus on Board leadership, providing guidance to the Chief Executive Officer and the Company s overall business strategy. The Board believes that the separation of functions between the Chief Executive Officer and Chairman of the Board provides independent leadership of the Board in the exercise of its management oversight responsibilities, increases the accountability of the Chief Executive Officer and creates transparency into the relationship among executive management, the Board of Directors and the stockholders. The independent Chairman regularly presides at executive sessions of the independent directors, without the presence of management. We have maintained this leadership structure since our inception.

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Board of Directors Oversight of Risk

Our executive management team is responsible for our day-to-day risk management activities. The Board of Directors oversees these risk management activities, delegating its authority in this regard to the standing committees of the Board of Directors. The Audit Committee is responsible for discussing with executive management policies with respect to financial risk and enterprise risk management. The Audit Committee also oversees the Company s corporate compliance programs. The Compensation Committee considers risk in connection with its design of compensation programs for our executives. The Nominating and Governance Committee reviews the Company s corporate governance principles and their implementation. Each committee regularly reports to the Board of Directors. In addition to each committee s risk management oversight, the Board of Directors regularly engages in discussions of the most significant risks that the Company is facing and how these risks are being managed.

The Board of Directors believes that each committee s risk oversight function, together with the efforts of the full Board of Directors and the Chief Executive Officer in this regard, enables the Board of Directors to effectively oversee the Company s risk management activities.

Committees of the Board of Directors and Meetings

Our Board of Directors has established three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Described below are the membership and principal responsibilities of all of the standing committees of the Board of Directors, as well as the number of meetings held during fiscal year 2015. Each of these committees is composed entirely of non-employee directors who have been determined by our Board of Directors to be independent under the current requirements of the NASDAQ Stock Market and the rules and regulations of the SEC. Each committee operates under a charter approved by the Board of Directors setting out the purposes and responsibilities of the committee. All committee charters are available for review on our website, http://ir.rubicontechnology.com/govdocs.aspx?iid=4384786. The information contained on our website is not a part of this proxy statement and shall not be deemed incorporated by reference into this proxy statement or any other public filing made by us with the SEC.

The Board of Directors held six meetings during fiscal year 2015. Each of our directors attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the committees on which he served during 2015. Our non-employee directors meet regularly without our Chief Executive Officer present.

Audit Committee

Don N. Aquilano, Michael E. Mikolajczyk and Raymond J. Spencer serve on our Audit Committee. Mr. Mikolajczyk is the chairman of our Audit Committee. Our Board of Directors has determined that each member of our Audit Committee meets the requirements for financial sophistication and independence for Audit Committee membership under the current requirements of the NASDAQ Stock Market and SEC rules and regulations. Our Board of Directors has also determined that Mr. Mikolajczyk is an audit committee financial expert as defined in the SEC rules. The Audit Committee s responsibilities include, but are not limited to:

- selecting and hiring our independent registered public accounting firm, and approving the audit and permitted non-audit services to be performed by our independent registered public accounting firm;
- evaluating the qualifications, experience, performance and independence of our independent registered public accounting firm;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- reviewing the adequacy, effectiveness and integrity of our internal control policies and procedures;

discussing the scope and results of the audit with the independent registered public accounting firm and reviewing with management and the independent registered public accounting firm our interim and year-end operating results;

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- preparing the Audit Committee report required by the SEC in our annual proxy statement; and

- overseeing management with respect to enterprise and financial risk management.

Our Audit Committee held nine meetings during fiscal year 2015.

Compensation Committee

Donald R. Caldwell, Michael E. Mikolajczyk and Raymond J. Spencer serve on the Compensation Committee. Mr. Caldwell is the chairman of our Compensation Committee. The Compensation Committee s responsibilities include, but are not limited to:

- reviewing and approving our Chief Executive Officer s and other executive officers annual base salaries and annual bonuses;

- evaluating and recommending to the Board of Directors incentive compensation plans;

- overseeing an evaluation of the performance of our executive officers;

- administering, reviewing and making recommendations with respect to our equity compensation plans;

- reviewing and making recommendations to the Board of Directors with respect to director compensation; and

- preparing the Compensation Committee report required by the SEC in our annual proxy statement.

The Compensation Committee may, in its sole discretion, retain or obtain the advice of one or more compensation consultants or other advisors to assist it with these duties. In December 2014, the Compensation Committee engaged the consulting firm of Meridian Compensation Partners, LLC (Meridian) to assist us in analyzing our compensation structure and making suggestions for our compensation structure for 2015. The Compensation Committee assessed the independence of Meridian pursuant to the applicable rules of the SEC and the NASDAQ Stock Market and concluded that Meridian did not raise any conflicts of interest for the 2015 year.

Our Compensation Committee held three meetings during fiscal year 2015.

Nominating and Governance Committee

Don N. Aquilano, Donald R. Caldwell and Raymond J. Spencer serve on the Nominating and Governance Committee. Mr. Spencer is the chairman of our Nominating and Governance Committee. The Nominating and Governance Committee s responsibilities include, but are not limited to:

- developing and recommending to the Board of Directors criteria for Board of Directors and committee membership;

- assisting our Board of Directors in identifying prospective director nominees and recommending to the Board of Directors nominees for each annual meeting of stockholders;

- recommending members for each committee to our Board of Directors;
- reviewing developments in corporate governance practices and developing and recommending governance principles applicable to our Board of Directors; and
- overseeing the evaluation of the Board of Directors.

Our Nominating and Governance Committee held three meetings during fiscal year 2015.

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Code of Ethics

We have adopted a Code of Ethics that applies to all of our employees, officers and directors. A copy of the Code of Ethics is available on our website at www.rubicontechnology.com, and any waiver from the Code of Ethics will be timely disclosed on the Company s website as will any amendments to the Code of Ethics. The information found on our website is not part of this proxy statement or any report filed with or furnished to the SEC.

Compensation Committee Interlocks and Insider Participation

None of Messers. Caldwell, Mikolajczyk or Spencer the members of our Compensation Committee is currently serving or has previously served as one of our officers or employees. None of our executive officers serve, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board of Directors or Compensation Committee.

Policies and Procedures Governing Director Nominations

The Nominating and Governance Committee considers candidates for nomination to the Board of Directors from a number of sources, including recommendations by current members of the Board of Directors and members of management. Current members of the Board of Directors are considered for re-election unless they have notified us that they do not wish to stand for re-election. The Nominating and Governance Committee will also consider director candidates recommended by our stockholders, although a formal policy has not been adopted with respect to consideration of such candidates because stockholders may nominate director candidates pursuant to our bylaws. Stockholders desiring to submit recommendations for director candidates must follow the following procedures:

The Nominating and Governance Committee will accept recommendations of director candidates throughout the year; however, in order for a recommended candidate to be considered for nomination for election at an upcoming annual meeting of stockholders, the recommendation must be received by the Secretary of the Company not later than the close of business on the 60th day nor earlier than the close of business on the 90th day prior to the anniversary date of our most recent annual meeting of stockholders, unless the date of the annual meeting is more than 30 days before or more than 60 days after the first anniversary of the preceding year s annual meeting, in which case notice must be delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which we first publicly announce the date of such annual meeting. If the number of directors to be elected to the Board is increased and the Company does not make public announcement naming all of the nominees for director or specifying the size of the increased Board at least 70 days prior to the first anniversary of the preceding year s annual meeting, a stockholder s nomination notice will also be considered timely with respect to nominees for any newly created positions if such notice is delivered to the Secretary not later than the close of business on the 10th day following the day on which such public announcement is first made by the Company.

A stockholder making the recommendation must be a stockholder of record at the time of giving of notice, be entitled to vote at the meeting and comply with the notice procedures set forth in the bylaws. Furthermore, this recommendation must be in writing and must include the following initial information: (i) as to each person whom the stockholder proposes to nominate for election as a director, all information relating to such person that would be required to be disclosed in proxy solicitations for election of directors in an election contest, or would otherwise be required, in each case pursuant to Regulation 14A under the Securities and Exchange Act of 1934, as amended (the Exchange Act) and Rule 14a-11 promulgated under the Exchange Act, including such person s written consent to being named in the proxy statement as a nominee and to serving as a director if elected; and (ii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, the name and address of such stockholder and beneficial owner, and the class and number of shares of the Company that are owned beneficially and of record by such stockholder and beneficial owner. The Nominating and Governance Committee may subsequently request additional information regarding the candidate.

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Recommendations must be sent by U.S. Mail, courier or expedited delivery service to Mardel A. Graffy, Secretary, Rubicon Technology, Inc., 900 East Green Street, Bensenville, Illinois 60106.

In evaluating nominees for director, the Nominating and Governance Committee is guided by, among other things, the objective that the Board of Directors be composed of qualified, dedicated and highly regarded individuals who have experience relevant to our operations and who understand the complexities of our business environment. See Proposal 1: Election of Directors on page 9 for a discussion of the evaluation of director candidates. The Nominating and Governance Committee may also consider other factors such as whether the candidate is independent within the meaning of the listing standards of the NASDAQ Stock Market and whether the candidate meets any additional requirements for service on the Audit Committee. The Nominating and Governance Committee does not intend to evaluate candidates recommended by stockholders any differently than other candidates.

Stockholder Communications with the Board of Directors

Interested parties, including stockholders, may communicate by mail with all or selected members of the Board of Directors. Correspondence should be addressed to the Board of Directors or any individual director(s) or group or committee of directors either by name or title (for example, Chairman of the Nominating and Governance Committee or All Non-Management Directors). All correspondence should be sent c/o Mardel A. Graffy, Secretary, Rubicon Technology, Inc., 900 East Green Street, Bensenville, Illinois 60106. The Secretary will, in consultation with the appropriate members of the Board as necessary, generally screen out communications from stockholders to identify communications that are (i) commercial, charitable or other solicitations for products, services and funds, (ii) matters of a personal nature not relevant for stockholders, or (iii) matters that are of a type that render them improper or irrelevant to the functioning of the Board and the Company.

Attendance at Annual Meeting

Directors are encouraged, but not required, to attend our annual stockholders meeting. All directors attended the 2015 Annual Meeting of Stockholders.

REPORT OF THE AUDIT COMMITTEE

The primary purpose of the Audit Committee is to assist the Board of Directors in its general oversight of Rubicon s financial reporting process.

Rubicon s management is responsible for the preparation, consistency, integrity and fair presentation of the financial statements, accounting and financial reporting principles, and systems of internal control and procedures designed to ensure compliance with accounting standards, applicable laws, and regulations. Rubicon s independent registered public accounting firm, Grant Thornton LLP, is responsible for performing independent audits of the financial statements and internal control over financial reporting and issuing its reports thereon.

The Audit Committee conducted its oversight activities in accordance with the duties and responsibilities outlined in the Audit Committee charter. These activities included, but were not limited to, the following during the fiscal year ended December 31, 2015:

- Reviewed and discussed with management and the independent registered public accounting firm the audited financial statements, the quarterly financial statements, and the earnings press releases for the year ended December 31, 2015. Management has the primary responsibility for such financial statements and press releases.

- Reviewed with management and the independent registered public accounting firm management s annual report on internal controls over financial reporting.

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Discussed with the independent registered public accounting firm the matters requiring discussion by the statement on Auditing Standards No. 16, as amended (Communication with Audit Committees), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

Received the written disclosures and the letter from the independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm s communications with the Audit Committee concerning independence, and discussed with the independent registered public accounting firm its independence.

In reliance on the committee s review and discussions of the matters referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements and management s annual report on internal controls over financial reporting be included in Rubicon s Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2015.

Michael E. Mikolajczyk, Chairman

Don N. Aquilano

Raymond J. Spencer

The foregoing Audit Committee Report is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

DIRECTOR COMPENSATION

Directors who are our employees or employees of our subsidiaries receive no remuneration for serving as directors. All non-employee directors receive an annual fee of $70,000, plus $5,500 per year for service on the Audit Committee, $2,750 per year for service on the Compensation Committee, and $3,250 per year for service on the Nominating and Governance Committee. The Chairman of the Board of Directors receives an additional annual fee of $110,000. The chairs of the Audit, Compensation and Nominating and Governance Committees receive, per year, $11,750, $6,000 and $5,000, respectively, in each case in lieu of committee service compensation. No additional payment is made for meeting attendance. In addition, for 2015, each of Messrs. Aquilano, Mikolajczyk and Spencer received $20,000 in cash and a restricted stock award with a value of $20,000 for their service on a special committee. For 2015, half of each director s fees was paid in cash and the other half was paid in equity. Cash fees are paid in quarterly installments. Equity-based fees are paid in restricted stock which vests in four equal installments at the end of each calendar quarter. We also have a policy of reimbursing directors for travel, lodging and other reasonable expenses incurred in connection with their attendance at Board or committee meetings or conducting Company business.

The following table sets forth information regarding the aggregate compensation we paid to the non-employee members of our Board of Directors for fiscal 2015:

Name	Fees Earned or Paid in Cash ($)	Stock Awards(1) ($)	Total ($)
Don N. Aquilano	114,379	114,373(2)	228,752
Donald R. Caldwell	39,628	39,622(3)	79,250
Michael E. Mikolajczyk	62,252	62,248(4)	124,500
Raymond J. Spencer	61,628	61,622(5)	123,250

(1) Amounts reflect the aggregate grant date fair value of the restricted stock awards granted in 2015 in accordance with FASB ASC Topic 718, as discussed in Note 6 to our financial statements included in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2015.

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(2) On January 1, 2015, we granted Mr. Aquilano 25,027 shares of restricted stock, which vested in four equal installments at the end of each quarter of 2015, beginning with the quarter ending March 31, 2015. As of December 31, 2015, Mr. Aquilano held options with respect to 117,570 shares.

(3) On January 1, 2015, we granted Mr. Caldwell 8,670 shares of restricted stock, which vested in four equal installments at the end of each quarter of 2015, beginning with the quarter ending March 31, 2015. As of December 31, 2015, Mr. Caldwell held options with respect to 17,587 shares. All equity compensation awarded to Mr. Caldwell is held for the benefit of Cross Atlantic Technology Fund II, L.P., The Co-Investment 2000 Fund, L.P. and Cross Atlantic Capital Partners, Inc. Cross Atlantic Capital Partners, Inc. is 100% controlled by Mr. Caldwell.

(4) On January 1, 2015, we granted Mr. Mikolajczyk 13,621 shares of restricted stock, which vested in four equal installments at the end of each quarter of 2015, beginning with the quarter ending March 31, 2015. As of December 31, 2015, Mr. Mikolajczyk held options with respect to 19,491 shares.

(5) On January 1, 2015, we granted Mr. Spencer 13,484 shares of restricted stock, which vested in four equal installments at the end of each quarter of 2015, beginning with the quarter ending March 31, 2015. As of December 31, 2015, Mr. Spencer held options with respect to 16,588 shares.

The value of the annual and committee fees payable to our directors remains unchanged in 2016 but each of the directors received such fees in the form of restricted stock awards rather than receiving a portion of such fees in cash. The restricted stock awards vest in four equal installments at the end of each calendar quarter in 2016. The Board of Directors determined that their 2016 fees would be paid solely in the form of equity in order to preserve cash and in light of the Company s objective to become cash flow positive, which further aligns their interests with those of the Company s stockholders.

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EXECUTIVE COMPENSATION

EXECUTIVE OFFICERS

The following table sets forth certain information concerning each of our executive officers. These executive officers also constitute our named executive officers for 2015.

Name	Age	Position
William F. Weissman	57	President, Chief Executive Officer and Director
Mardel A. Graffy	56	Chief Financial Officer, Treasurer and Secretary
Hany Tamim	49	Chief Operating Officer

William F. Weissman has served as our President, Chief Executive Officer and as a member of our Board of Directors since December 2014. Prior to that, Mr. Weissman served our Chief Financial Officer, Treasurer and Secretary after joining us in July 2007. From 1995 to 2007, Mr. Weissman served in various capacities at Kanbay International, Inc., an information technology services firm, including chief financial officer, vice president, executive vice president and secretary. Additionally, Mr. Weissman served as a manager of Kanbay LLC, Kanbay International, Inc. s immediate predecessor company, from December 1997 to August 2000. Mr. Weissman has also held various finance positions at Lockheed Electronics and Airco BOC. Mr. Weissman is a certified public accountant and holds a BA in business administration from Seton Hall University.

Mardel A. Graffy has served as our Chief Financial Officer, Treasurer and Secretary since December 2014. Prior to that, Ms. Graffy served as our Vice-President of Financial Operations from September 2014 to December 2014, our Vice-President of Finance from July 2008 to September 2014, our Controller from July 2007 to July 2008 and our Director of Finance from January 2005 to July 2007. From 1987 to 2004 she served in various capacities at FMC/FMC Technologies, Inc., a world leader among producers of chemicals and machinery for industry and agriculture, including project and reporting manager, employee service center controller and pension benefit manager, and consolidation and financial reporting manager. From 1982 to 1987 she was with KPMG, a public accounting firm. Ms. Graffy is a certified public accountant and holds a BS in accounting and business administration from Illinois State University.

Hany Tamim has served as our Chief Operating Officer since joining us in October 2015. From 2014 until September 2015, he served as managing director and principal consultant for Tamim Asia Consultants, a multi-discipline consulting firm. From 2009 to 2014, he served as the senior corporate director, global cost management for Sun Edison Inc./MEMC Electronic Materials Inc., a global renewable energy company, where he was responsible for the cost management and operational efficiency for nine manufacturing plants in the U.S., Europe and Asia. From 1996 to 2009 Mr. Tamim served in various capacities with Sun Edison Inc./MEMC Electronic Materials Inc., including director and plant manager, managing director, technology manager and engineering manager. Mr. Tamim holds an MS in engineering and a BS in mechanical engineering, both from the University of North Carolina.

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis of compensation arrangements of our named executive officers for 2015 should be read together with the compensation tables and related disclosures set forth below.

Executive Summary

Our compensation programs are intended to align our named executive officers interests with those of our stockholders by rewarding performance that meets or exceeds the goals the Compensation Committee establishes with the objective of increasing stockholder value. Consistent with our pay for performance philosophy, the total compensation received by our named executive officers will vary based on individual and corporate performance measured against annual and long-term performance goals. Our named executive officers total compensation is comprised of a mix of base salary, annual incentive compensation and long-term incentive awards.

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Below is a comparison of 2015 and 2014 revenue and earnings, which are key metrics on which the Compensation Committee measures management performance. Please see *Management s Discussion and Analysis of Financial Conditions and Results of Operations* in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2015, for a more detailed description of our fiscal year 2015 financial results.

	Year Ended December 31, 2015	Year Ended December 31, 2014
Revenue (in millions)	$ 23.8	$ 45.7
Net loss (in millions)	$ (77.8)	$ (44.0)
Diluted loss per share	$ (2.98)	$ (1.70)

Our financial performance is a key factor in the compensation decisions and outcomes for the fiscal year. In 2015 and 2014, executive officers were awarded no bonuses as threshold performance levels were not achieved.

We believe that the compensation of our executive officers should facilitate the achievement of short-term corporate goals as well as the performance of long-term business objectives. It is the responsibility of the Compensation Committee of our Board of Directors to administer our compensation practices to ensure that they are competitive and include incentives which are designed to appropriately drive corporate performance. Our Compensation Committee reviews and approves all of our compensation policies, including executive officer salaries, bonuses and equity incentive compensation.

We endeavor to maintain a high level of corporate governance over our executive pay programs. The following policies were in effect during 2014 and remained in effect in 2015:

No significant perquisites offered: Our executives participate in broad-based Company-sponsored programs on the same basis as other full-time employees.

Separation of governance positions: In line with corporate governance best practices, we have separated the roles of Chairman of the Board of Directors and Chief Executive Officer.

No SERPs: Our executives participate in the same retirement plan generally available to other full-time employees, and we do not offer supplemental executive retirement programs to our executives.

Executive ownership guidelines: We have implemented stock ownership guidelines for our executive officers, which are more fully described in Elements of Our Executive Compensation Programs Stock ownership guidelines below.

No excise tax gross-ups: We do not provide change in control excise tax gross-ups in any of our executive employment agreements or compensation plans.

Independence of executive compensation consultant: The compensation consultant used by the Compensation Committee in 2015 did not provide any services to management and had no prior relationship with our named executive officers. The Compensation Committee also assessed the independence of the consultant pursuant to the applicable rules of the SEC and the NASDAQ Stock Market and concluded that the consultant did not raise any conflicts of interest for the 2015 year.

Objectives of Our Executive Compensation Programs

Our compensation programs for our named executive officers are designed to achieve the following objectives:

attract and retain talented and experienced executives in our industry;

motivate and reward executives whose knowledge, skills and performance are critical to our success;

align the interests of our executives and stockholders, by encouraging executives to increase long-term stockholder value and rewarding executives when stockholder value increases; and

motivate our executives to manage our business to meet our short-term and long-term corporate goals and business objectives, and reward them for meeting these objectives.

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We use a mix of short-term compensation in the form of base salaries and cash incentive bonuses and long-term compensation in the form of equity incentive compensation to provide a total compensation structure that is designed to encourage our executives to achieve these objectives.

Determining Executive Compensation

The Compensation Committee is responsible for developing, administering and interpreting the compensation program for executive officers and other key employees. Our Compensation Committee was appointed by our Board of Directors and consists entirely of directors who are outside directors for purposes of Section 162(m) of the Code, and non-employee directors for purposes of Rule 16b-3 under the Exchange Act.

The Compensation Committee may delegate some or all of its responsibilities to one or more subcommittees whenever necessary to comply with any statutory or regulatory requirements or otherwise deemed appropriate by the committee. The Compensation Committee has the authority to retain consultants and other advisors to assist with its duties and has sole authority to approve the fees and other retention terms of such consultants and advisors.

Historically, our Chief Executive Officer has made recommendations to the Compensation Committee regarding the salaries, bonus arrangements and equity grants, if any, for all key employees other than himself. For executive officers whose bonus awards are based partly on individual performance, the Chief Executive Officer s evaluation of such performance is provided to and reviewed by the Compensation Committee. Based on the foregoing, the Compensation Committee uses its judgment in making compensation decisions that will best carry out our philosophy and objectives for executive compensation. The Compensation Committee also reviews the performance of the Chief Executive Officer and sets his compensation consistent with our philosophy. The Chief Executive Officer does not participate in, and is not present for, deliberations or decisions concerning his compensation.

Within the context of the overall objectives of our compensation programs, we determined the specific amounts of compensation to be paid to each of our executives in 2015 based on a number of factors, including, but not limited to:

- the roles and responsibilities of our executives;
- the individual experience and skills of our executives;
- the amounts of compensation being paid to our other executives;
- the performance of the Company against targets pre-established by the Board of Directors;
- our executives historical compensation at our Company; and
- our understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities.

In evaluating the compensation generally paid by similarly situated companies, our Compensation Committee has obtained guidance on appropriate executive compensation practices from executive search firms in the course of recruiting executives for Rubicon. In addition, we have historically taken into account available data relating to the compensation practices of other companies within and outside our industry. In December 2014, the Compensation Committee engaged the consulting firm of Meridian Compensation Partners, LLC (Meridian) to assist us in analyzing our compensation structure and making suggestions for our compensation structure for 2015. Meridian provided advice to the Compensation Committee regarding proposed 2015 compensation levels and severance benefits for Mr. Weissman and Ms. Graffy based on their new positions. Although the Compensation Committee uses the information from Meridian and industry group surveys, the Compensation Committee makes all final decisions regarding the appropriate compensation for our executives. The peer group used for purposes of developing and assessing these executives compensation levels for 2015 consisted of the following six companies: Advanced Analogic Tech; Bolt Technology Corp; Cascade Microtech Inc.; Lighting Sciences Group; MIPS Technologies Inc.; and Supertex Inc.

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Stockholder Say on Pay

At our 2014 Annual Meeting of Stockholders, our stockholders approved, on an advisory basis, our executive compensation program with approximately 98% support. Taking into account the favorable outcome of our stockholder advisory approval vote at the 2014 Annual Meeting of Stockholders, we did not make specific changes to our executive compensation program in 2015. We will continue to take into account the result of future stockholder advisory votes when reviewing and monitoring our compensation program and structure.

At our 2011 Annual Meeting of Stockholders, our stockholders approved a three-year frequency of stockholder advisory voting to approve our executive compensation with approximately 54% support. In accordance with the voting results, we provide our stockholders with an opportunity to cast an advisory vote on executive compensation every three years.

Elements of Our Executive Compensation Programs

Our executive compensation primarily consists of base salary, cash incentive and discretionary bonuses, equity-based incentives and benefit programs. We believe it is important that the interests of our executives are aligned with those of our long-term stockholders; therefore, equity incentive compensation constitutes a significant portion of our total executive compensation.

We discuss each of the primary elements of our executive compensation in detail below. While we have identified particular compensation objectives that each element of executive compensation serves, our compensation programs are designed to complement each other and collectively serve all of our executive compensation objectives described above.

Annual cash compensation

Base salary. Base salaries are intended to provide a level of compensation sufficient to attract and retain an effective management team when considered in combination with the performance-based and other components of our compensation program. The base salary of each executive officer is reviewed annually to determine if it is equitably aligned with our other executive officers and is at a sufficient level to attract and retain top talent. Salaries are adjusted to reflect individual roles and performance and may be increased at other times if a change in the scope of the officer s responsibilities justifies such consideration or in order to maintain salary equity among executive officers. We believe that a competitive base salary is a necessary element of any compensation program designed to attract and retain talented and experienced executives. We also believe that attractive base salaries can serve as an effective reward for the executives overall performance.

Pursuant to the terms of their employment agreements, the annual base salaries for 2015 for Mr. Weissman, Ms. Graffy and Mr. Tamim were $300,000, $200,000 and $225,000, respectively. We formally evaluate executive performance on an annual basis, and these evaluations are one of the factors considered in making adjustments to base salaries. In connection with their promotions to new positions in December 2014, (i) Mr. Weissman s base salary increased from $233,950 to $300,000, and (ii) Ms. Graffy s base salary increased from $158,970 to $200,000. After consideration of the Company s performance within our industry, the base salaries for our named executive officers were not increased in 2015.

Cash incentive bonuses. The primary objectives of our incentive bonus plan are to provide an incentive for superior work, to motivate our executives toward even higher achievement and business results, to tie our executives goals and interests to ours and our stockholders and to enable us to attract and retain highly qualified individuals. These targets are typically set in the first three months of the year. The targets under our incentive bonus plan are mutually agreed upon by the independent directors and each of the executives. For 2015, Mr. Weissman was entitled to receive a bonus of up to one-half of his base salary and Ms. Graffy and Mr. Tamim were entitled to receive a bonus of up to 30% of their base salaries, in each case based on our achieving the following pre-determined targets. Fifty percent (50%) of the bonus would be paid if the Company s operations had been cash flow positive (the Cash Flow Target), meaning that the Company was cash flow positive for the fourth quarter of 2015 and was reasonably expected to be cash flow positive in 2016. If, and only if the Cash Flow Target had been achieved, then the remaining 50% of the target bonus could have been achieved based upon the following performance goals: an additional 25% of the target bonus would be paid if the Company s patterned sapphire wafer (PSS) infrastructure was running at full capacity, 15% of the target bonus would be paid if the Company had generated revenue from sales of Sapphire on Glass (SoG) and had satisfactorily completed the proof of concept work on its near-net shape pure sapphire products, and 10% of the target bonus would be paid if the run rate of annualized revenue from the Company s optical business for 2015, based on revenue recognized in the fourth quarter of 2015, was at least 50% greater than the revenue recognized in 2014, and such run rate was reasonably expected to continue at such level or greater for 2016. The 2015 Cash Flow Target was not achieved and, therefore, no incentive cash bonuses were paid to executive officers for fiscal 2015.

The Compensation Committee believed the targets described above were the most appropriate criteria to determine the value of our executives efforts and considering current and projected market conditions. After evaluating which key milestones were likely to provide the Company with a significantly enhanced market position, the Cash Flow Target was chosen as the applicable threshold performance measure to govern payment of the cash incentive bonuses and the vesting of the restricted stock units (discussed below).

Signing bonus

In connection with Mr. Weissman s appointment as Interim Chief Executive Officer and President in September 2014, the Board of Directors approved a $100,000 cash bonus payable to Mr. Weissman, with $50,000 payable on the date of the Company s next regular payroll and the remaining $50,000 payable on the earlier of (i) the six (6) month anniversary of Mr. Weissman s appointment or (ii) such time as the Company hires a new Chief Executive Officer. The second half of the signing bonus was paid in March 2015.

Equity incentive compensation

In 2008, our Board of Directors adopted a policy generally to grant equity awards to executives once per year to the extent equity awards are to be granted during such year (except in the case of newly hired executives, as described below). With respect to newly hired executives, our practice is typically to make equity grants at the first meeting of the Board of Directors following such executive s hire date. We do not have any program, plan or practice to time equity awards in coordination with the release of material non-public information.

On February 18, 2015, the Company entered into employment agreements with Mr. Weissman and Ms. Graffy. Pursuant to the terms of their employment agreements, Mr. Weissman was granted restricted stock units valued at $100,000 and Ms. Graffy was granted restricted stock units valued at $50,000. The vesting condition metrics of the restricted stock units were determined by the Compensation Committee. Fifty percent (50%) of the restricted stock units would have vested if the Company s operations had satisfied the Cash Flow Target (described above within the Cash Incentive Bonus). If, and only if the Cash Flow Target had been achieved, then the remaining 50% of the restricted stock units would have been eligible to vest as follows: 25% of the restricted stock units would have vested if the Company s PSS infrastructure was running at full capacity, 15% of the restricted stock units would have vested if the Company had generated revenue from sales of SoG and had satisfactorily completed the proof of concept work on its near-net shape pure sapphire products, and 10% of the restricted stock units would have vested if the run rate of annualized revenue from the Company s optical business for 2015, based on revenue recognized in the fourth quarter of 2015, was at least 50% greater than the revenue recognized in 2014, and such run rate was reasonably expected to continue at such level or greater for 2016. The 2015 Cash Flow Target was not achieved and, as a result, the restricted stock unit awards were forfeited by Mr. Weissman and Ms. Graffy.

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In addition, pursuant to the terms of their employment agreements, options to purchase shares of Company common stock were granted to Mr. Weissman and Ms. Graffy on December 1, 2015. For Mr. Weissman, the number of options granted reflected the number of whole options nearest the target value of $250,000 determined using the fair market value per share as of the date of grant. On December 1, 2015, Mr. Weissman s employment agreement was amended to reduce the value of the option grant to ensure that the number of shares subject to the option grant was within the annual grant limitations as set forth in the Rubicon Technology, Inc. 2007 Stock Incentive Plan, as amended and restated effective March 23, 2011 (the 2007 Plan). For Ms. Graffy, the number of options granted reflected the number of whole options nearest the target value of $100,000 determined using the fair market value per share as determined as of date of grant. Each option grant had a ten-year term, an exercise price equal to the closing price of the Company s common stock on the date prior to the date of grant and provided for vesting in four equal annual installments.

On October 31, 2015, the Company entered into a letter of appointment with Mr. Tamim. Upon the execution of the letter of appointment, the Company s Board of Directors granted to Mr. Tamim options to purchase 30,000 shares of the Company common stock under the 2007 Plan. The options were granted with a ten-year term, with an exercise price equal to the closing price of the Company s common stock on the date prior to the date of grant and vest in four equal annual installments. On November 1, 2015, the Company granted Mr. Tamim 50,000 restricted stock units under the 2007 Plan. The restricted stock units vest ratably over a three-year period and vest immediately upon a change in control.

The 2015 stock option and restricted stock unit grants were made pursuant to our 2007 Plan, which was adopted by our Board of Directors and our stockholders in connection with our initial public offering. The 2007 Plan permits the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and bonus shares. The 2007 Plan replaced the Rubicon Technology, Inc. 2001 Equity Plan, as amended (the 2001 Plan), effective upon the consummation of our initial public offering.

Stock ownership guidelines

On September 18, 2012, the Compensation Committee approved stock ownership guidelines for executive officers of the Company. Under the stock ownership guidelines, the executive officers are expected to hold common stock with a value equal to a designated multiple of annual base salary. The Chief Executive Officer target share ownership level is a value equal to three times his annual base salary and the Chief Financial Officer and other executive officers target share ownership level is one times their annual base salary. The executive officers are to comply within five years from the date the guidelines become applicable to them. Shares that count toward satisfaction of the stock ownership guidelines include:

- shares owned outright;
- in-the-money value of vested stock options;
- unvested restricted stock;
- restricted stock units; and
- vested shares in 401(k) plan.

As of December 31, 2015, due to the significant drop in the Company s share price (and in Mr. Tamim s case, the fact that he was only recently hired), none of our named executive officers met the targeted stock ownership guidelines. Per the guidelines, Mr. Weissman has until September 2017, Ms. Graffy has until December 2019 and Mr. Tamim has until October 2020 to come into compliance with the guidelines.

Benefits

All of our executive officers are eligible for benefits offered to employees generally, including life, health, disability and dental insurance and our 401(k) plan. Consistent with our compensation philosophy, we intend to continue to maintain our current benefits for our executive officers. The Compensation Committee, in its discretion, may revise the executive officers benefits if it deems it advisable.

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Severance and change in control arrangements

In February 2015, we entered into employment agreements with Mr. Weissman and Ms. Graffy outlining the terms and conditions of their employment in their new positions with the Company. We also entered into a letter of agreement with Mr. Tamim upon his appointment in October 2015 outlining the terms and conditions of his employment.

These employment agreements provide various benefits triggered by such employment-related actions as termination without cause, resignation with good reason and/or termination without cause following a change in control. Such benefits may include salary continuation, bonuses, lump sum severance and/or the acceleration of equity award vesting. See Potential Payments Upon Termination of Employment below for a description of the severance and change in control arrangements for our named executive officers.

In addition, each of our equity incentive plans provides for a potential acceleration of vesting of outstanding awards in the event that we undergo a change in control, as defined in such plans. The 2007 Plan provides that in the event of change in control, each outstanding award will be treated as the Compensation Committee determines, including that the successor corporation or its parent or subsidiary may be required to assume or substitute an equivalent award for each outstanding award. The Compensation Committee is not required to treat all awards similarly. If there is no assumption or substitution of outstanding awards, the award recipient will fully vest in and have the right to exercise all of his or her outstanding options and stock appreciation rights, all restrictions on restricted stock and restricted stock units will lapse and all performance goals or other vesting requirements for performance awards will be deemed achieved at 100% of target levels and all other terms and conditions will be deemed met. If an option or stock appreciation right is not assumed or substituted, the Compensation Committee will provide notice to the award recipient that the option or stock appreciation right will be fully vested and exercisable for a period of time determined by the Compensation Committee in its discretion, and the option or stock appreciation right will terminate upon the expiration of such period. Under the 2007 Plan, a change in control is deemed to occur when (i) a person becomes the beneficial owner (directly or indirectly) of at least 50% of the voting power represented by the Company s outstanding voting securities, (ii) the Company sells or disposes of all or substantially all of its assets, (iii) the composition of the Board of Directors changes within a two-year period resulting in fewer than a majority of the directors being incumbent directors (as defined in the 2007 Plan), or (iv) a merger or consolidation of the Company is consummated with any other corporation resulting in the voting securities of the Company outstanding immediately prior thereto representing (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) less than 50% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

In setting the terms of and determining whether to approve these severance and change in control arrangements, our Compensation Committee or Board of Directors, as applicable, recognized that executives often face challenges securing new employment following a termination of their existing employment and that distractions created by uncertain job security may have a detrimental impact on their performance. None of the foregoing benefits is triggered by a change in control unless the named executive officer s employment is terminated without cause following such change in control or the award is not assumed, or an equivalent right substituted, by the successor corporation. We believe the acceleration of option vesting under such circumstances is appropriate to preserve the benefit intended to be provided to the executive while avoiding the acceleration of benefits where the executive is enjoying a continuation of the same or comparable benefit following the change in control. The levels of severance benefits were set based on our Board of Directors collective experience and insight regarding severance benefits offered to executives at comparable companies.

Effect of accounting and tax treatment on compensation decisions

In the review and establishment of our compensation programs, we consider the anticipated accounting and tax implications to us and our executives. In this regard, we began utilizing restricted stock and/or restricted stock units as additional forms of equity compensation incentives in fiscal 2015 in response to changes in the

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accounting treatment of equity awards under FASB ASC Topic 718 Stock Compensation. While we consider the applicable accounting and tax treatment, these factors alone are not dispositive, and we also consider the cash and non-cash impact of the programs and whether a program is consistent with our overall compensation philosophy and objectives.

Section 162(m) of the Code imposes a limit on the amount of compensation that we may deduct in any one year with respect to our Chief Executive Officer and each of our next three most highly compensated executive officers other than our Chief Financial Officer, unless certain specific and detailed criteria are satisfied. Performance-based compensation, as defined in the Code, is fully deductible if the programs are approved by stockholders and meet other requirements. We will continue to assess the impact of Section 162(m) on our compensation practices and determine whether to qualify equity and cash awards as performance-based compensation.

COMPENSATION COMMITTEE REPORT

As detailed in its charter, the Compensation Committee of the Board of Directors oversees Rubicon s executive compensation program on behalf of the Board of Directors. In the performance of this function, the Compensation Committee, among other things, reviewed and discussed with management the Compensation Discussion and Analysis included in this report and in Rubicon s definitive proxy statement for its 2016 annual meeting of stockholders. Based upon the review and discussions referred to above, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in Rubicon s Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2015, and its definitive proxy statement for the 2016 annual meeting of stockholders.

Compensation Committee

Donald R. Caldwell, Chairman

Michael E. Mikolajczyk

Raymond J. Spencer

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COMPENSATION RISKS

We believe that risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on the Company. In addition, the Compensation Committee believes that the mix and design of the elements of executive compensation do not encourage management to assume excessive risks.

The Compensation Committee reviewed the elements of executive compensation to determine whether any portion of executive compensation encouraged excessive risk taking and concluded:

significant weighting towards equity incentive compensation discourages short-term risk taking;

a substantial portion of equity incentive compensation is based on time vesting in addition to any performance vesting, which discourages short-term risk taking; and

cash incentive bonus awards are capped by the Compensation Committee and awards for exceeding targets are discretionary.

SUMMARY COMPENSATION TABLE

The table below sets forth, for the 2015, 2014, and 2013 calendar years (as applicable to each officer s service as one of our named executive officers), the compensation earned by our President and Chief Executive Officer, our Chief Financial Officer and our Chief Operating Officer. Such persons are referred to herein as our named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards[3] ($)	Option Awards[3] ($)	Total ($)
William F. Weissman	2015	302,414	50,000[1]	99,999	159,492	611,905
President and Chief	2014	243,056	50,000[2]	93,750	427,850	814,656
Executive Officer	2013	233,950		132,678	125,000	491,628
Mardel A. Graffy	2015	201,644		50,000	100,000	351,644
Chief Financial Officer	2014	165,191		39,742	82,252	287,185
Hany Tamim[4]	2015	49,597		56,500	18,916	125,013
Chief Operating Officer						

(1) On March 17, 2015, the Company granted Mr. Weissman a $50,000 cash bonus in consideration of his service as the interim Chief Executive Officer. This reflects 50% of the signing bonus described above within the Compensation Discussion and Analysis.

(2) On September 17, 2014, the Company granted Mr. Weissman a $50,000 cash bonus upon his appointment as interim Chief Executive Officer. This reflects the remaining 50% of the signing bonus described above within the Compensation Discussion and Analysis.

(3) Amounts represent the full grant date fair value of the stock option awards, restricted stock awards and restricted stock units granted in 2015, 2014 and 2013, calculated in accordance with FASB ASC Topic 718. For a discussion of the assumptions and methodologies used in calculating the grant date fair value of the stock option awards and restricted stock unit awards in 2015, please see Note 7 to the Company s consolidated financial statements in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2015. The restricted stock units granted to Mr. Weissman and Ms. Graffy in 2015 were forfeited in March 2016 because the Cash Flow Target performance goal was not achieved; accordingly, the value in the table appears to overstate the compensation to Mr. Weissman and Ms. Graffy in 2015.

(4) Reflects Mr. Tamim s compensation after joining us as Chief Operating Officer in October 2015.

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2015 GRANTS OF PLAN-BASED AWARDS

The following table provides information for each of the Company s named executive officers regarding 2015 plan-based awards, including annual and long-term incentive award opportunities.

Name	Grant Date	Type of Award	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards Threshold(1) ($)	Maximum(1) ($)	Estimated Possible Payouts Under Equity Incentive Plan Awards Threshold(2) (#)	Maximum(2) (#)	All Other Stock Awards: Number of Shares of Stock (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise Price of Option Awards(3) ($)/sh	Closing Market Price of Shares Subject to Options on the Grant Date ($)	Grant Date Fair Value of Stock and Option Awards(4) ($)
William F. Weissman		Annual Incentive Award	75,000	150,000							
	February 18, 2015	Restricted Stock Units			11,111	22,222					99,999
	December 1, 2015	Stock Options									