

Rubicon Technology, Inc.
Form DEFC14A
May 18, 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

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

Check the appropriate box:

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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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RUBICON TECHNOLOGY, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 24, 2016

As a stockholder of RUBICON TECHNOLOGY, INC., a Delaware corporation (the Company, we, us or our), you are cordially invited to attend the Annual Meeting of Stockholders of the Company (the Annual Meeting) to be held at 666 Fifth Avenue, 26th Floor, New York, NY 10103, at 8:00 a.m. local time on June 24, 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 April 26, 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

May 18, 2016

**Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Stockholders to Be Held on June 24, 2016.**

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

www.eproxyaccess.com/rbcn2016

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RUBICON TECHNOLOGY, INC.

PROXY STATEMENT

FOR

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 24, 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 May 18, 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 soliciting 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 April 26, 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 May 18, 2016. We will also post this proxy statement, the meeting notice and our 2015 Annual Report on the Internet at <http://ir.rubicontechnology.com> on or about May 18, 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 June 24, 2016 (the Annual Meeting Date) at 8:00 a.m. local time, at 666 Fifth Avenue, 26th Floor, New York, NY 10103. Stockholders who are entitled to vote and our invited guests may attend the Annual Meeting.

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 April 26, 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

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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.

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, April 26, 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 April 26, 2016, we had 26,722,958 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?

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Under Delaware law and our bylaws, holders of a majority of our outstanding shares of common stock as of the close of business on April 26, 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

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Annual Meeting. As of April 26, 2016, we had 26,722,958 shares of common stock outstanding. Accordingly, the presence of the holders of common stock representing at least 13,361,480 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.

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

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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 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 \$175,000 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 20 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 \$1.0 million, of which approximately \$350,000 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;

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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;

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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 Messrs. 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: