Rubicon Technology, Inc.
Form PRE 14A
April 03, 2018

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.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PRELIMINARY PROXY STATEMENT – SUBJECT TO COMPLETION, APRIL 3, 2018

RUBICON TECHNOLOGY, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 10, 2018

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 900 East Green Street, Bensenville, Illinois 60106, at 8:30 a.m. local time on May 10, 2018, for the following purposes:

1. To elect Timothy Brog and Michael Mikolajczyk as directors to serve for a three-year term;

2. To approve an amendment to our Certificate of Incorporation to decrease our authorized number of shares of preferred stock from 5 million shares (5,000,000) to 1 million (1,000,000) shares;

3. To ratify the selection of Marcum LLP our independent registered public accounting firm for the fiscal year ending December 31, 2018;

4. To approve, on a non-binding advisory basis, the compensation of our named executive officers (Say-on-Pay); and

5. To transact such other business as may properly come before the Annual Meeting or any continuation or adjournment thereof.

Our Board of Directors has fixed the close of business on March 21, 2018 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.

We hope that you can attend the Annual Meeting. Whether you attend the Annual Meeting or not, your vote is important, and we encourage you to vote your shares promptly. We are pleased to offer multiple options for voting your shares. You may vote your shares by proxy via the Internet or by telephone, mail or written ballot at the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ MARDEL A. GRAFFY
MARDEL A. GRAFFY
SECRETARY

Bensenville, Illinois
April [ ], 2018

This Notice of Annual Meeting and Proxy Statement are being distributed or made available, as the case may be, on or about April 16, 2018

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting of Stockholders to Be Held on May 10, 2018.

This Proxy Statement and the 2017 Annual Report are available with your 16-digit control number at:

www.proxyvote.com

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RUBICON TECHNOLOGY, INC.

900 EAST GREEN STREET

BENSENVILLE, ILLINOIS 60106

Corporate Internet Site: www.rubicontechnology.com

PROXY STATEMENT

FOR THE

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 10, 2018

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

1. Why am I receiving these materials?

We are providing this meeting notice, proxy statement and proxy card (the "Proxy Materials") in connection with the solicitation by the Board of Directors of Rubicon Technology, Inc., a Delaware corporation ("Rubicon," the "Company," "we," "us," or "our"), of proxies to be voted at our 2018 Annual Meeting of Stockholders (the "Annual Meeting"). The proxies also may be voted at any continuations, adjournments or postponements of the Annual Meeting. This proxy statement contains information you may use when deciding how to vote in connection with the Annual Meeting. We are first sending the Proxy Materials to stockholders on or about April 11, 2018.

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

The Annual Meeting will be held on May 10, 2018 at 8:30 a.m. local time, at 900 East Green Street, Bensenville, Illinois 60106. 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 shares of our common stock as of March 21, 2018, 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 11 describes the difference between stockholders of record and beneficial owners.

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

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

1. Proposal 1: To elect Timothy Brog and Michael Mikolajczyk as directors to serve for a three-year term (see page 8).

2. Proposal 2: To approve an amendment to our Certificate of Incorporation to decrease our authorized number of shares of preferred stock from 5 million (5,000,000) to 1 million (1,000,000) (see page 11).

3. Proposal 3: To ratify the selection of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018 (see page 12).

4. Proposal 4: To approve, on a non-binding advisory basis, the compensation of our named executive officers (Say-on-Pay) (see page 14).

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

Our Board recommends that you vote your shares:

FOR the election of the Board's nominees, Timothy Brog and Michael Mikolajczyk, as directors for a three-year term;

FOR the approval of an amendment to our Certificate of Incorporation to decrease our authorized number of shares of preferred stock from 5 million (5,000,000) to 1 million shares of our preferred stock;

FOR the ratification of the selection of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and

FOR the resolution approving the compensation of our named executive officers (Say-on-Pay).

6. 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. If any matters not set forth in the meeting notice included in the Proxy Materials are properly brought before the Annual Meeting, the persons named in the enclosed proxy card will have the discretion to vote on those matters for you.

7. 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, March 21, 2018. 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 March 21, 2018, we had 2,739,691 shares of common stock outstanding. Both Delaware law and our Second Amended and Restated Bylaws (our "bylaws") require our Board to establish a record date in order to determine who is entitled to receive notice of the Annual Meeting, and to vote at the Annual Meeting and any continuations, adjournments or postponements thereof.

8. 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 March 21, 2018 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 March 21, 2018, we had 2,739,691 shares of common stock outstanding. Accordingly, the presence of the holders of common stock representing at least 1,369,846 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.

9. 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 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 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.

10. 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
1: Election of two directors	For or withhold	Affirmative vote of a plurality of the shares present in person or by proxy and entitled to vote	N/A	No effect
2:Approval of amendment to our Certificate of Incorporation to decrease our authorized number of shares of preferred stock	For, against or abstain	Affirmative vote of a majority of the shares of common stock outstanding and entitled to vote	Treated as votes against	Treated as votes against
3: 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
4: Approval, on a non-binding advisory basis, of executive compensation (Say-on-Pay)	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

Our directors are elected by a plurality of the shares of our common stock present in person or by proxy and entitled to vote. At the Annual Meeting, two director seats are up for election. That means the director 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 on the director election.

11. 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 instruction form 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.

12. How do I vote?

Stockholders of Record. If you are a Stockholder of Record you may vote in person at the Annual Meeting or by one of the following methods:

By Telephone. Call the toll-free telephone number on the proxy card (1-800-690-6903) and follow the recorded instructions.

By Internet. Access the secure Internet website registration page noted on the proxy card and follow the instructions.

By Mail. Complete, sign, date and return the enclosed proxy card in the postage-paid envelope provided.

Please refer to the specific instructions set forth on the proxy card you received.

If you are a Stockholder of Record, you may vote in person at the Annual Meeting, by accessing the secure Internet website registration page identified on the Notice of Internet Availability of Proxy Materials and following the instructions, or by mail or telephone if you request a printed copy of the Proxy Materials by calling the toll-free telephone number set forth on the Notice of Internet Availability of Proxy Materials (1-800-579-1639). Please refer to the specific instructions set forth in the Notice of Internet Availability of Proxy Materials you received.

Please note that the Internet and telephone voting facilities for Stockholders of Record will close at 11:59 p.m. Eastern Time on May 9, 2018. The individuals named as proxies on the proxy card will vote your shares in accordance with your instructions.

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 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?"

13. 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 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, either voting in person or notifying the 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 are a beneficial owner of shares of our common stock, you may submit new voting instructions by contacting your bank, broker, trustee 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 12.

14. What if I do not specify a choice for a matter when returning a proxy?

Proxies that are signed and returned but do not contain voting instructions will be voted (1) "FOR" the election of Timothy Brog and Michael Mikolajczyk to a three-year term; (2) "FOR" the approval of an amendment to our Certificate of Incorporation to decrease our authorized number of shares of preferred stock to 1 million shares of our preferred stock outstanding; (3) "FOR" the ratification of Marcum LLP as our independent registered accounting firm for the fiscal year ending December 31, 2018; and (4) "FOR" on a non-binding advisory basis, the compensation of our named executive officers (Say-on-Pay) see Question 15 below.

If necessary, and unless the shares represented by the proxy are voted in a manner contrary to the manner described in the preceding paragraph, the persons named in the proxy may also vote in favor of a proposal to recess the Annual Meeting and to reconvene it on a subsequent date or dates, without further notice, in order to solicit and obtain sufficient votes to approve or disapprove any matters being considered at the Annual Meeting.

15. Will my shares be voted if I do not provide my proxy or instruction form?

If you are a Stockholder of Record and do not provide a proxy, you must attend the Annual Meeting in order to vote. If you are a Beneficial Owner and hold shares through an account with a bank or broker, your shares may be voted on certain matters if you do not provide voting instructions. Brokerage firms have the authority under the New York Stock Exchange rules to vote shares for which their customers do not provide voting instructions on routine matters. The ratification of the selection of independent auditors is considered a routine matter. The election of directors, the vote to amend the Company's Certificate of Incorporation and the advisory vote on executive compensation are not considered routine matters. When a proposal is not routine and the brokerage firm has not received voting instructions from the beneficial owner, the brokerage firm cannot vote the shares on that proposal. This is called a broker non-vote. We urge you to give voting instructions to your broker on "Proposal 1—Election of Directors", "Proposal 2-Approval of Amendment to the Company's Certificate of Incorporate to Reduce the Number of Authorized Preferred Shares" and "Proposal 4— Advisory Vote on Executive Compensation."

16. What does it mean if I receive more than one proxy card?

If you received multiple proxy cards, it means that you hold your shares in different ways (e.g., trust, custodial accounts, joint tenancy) or in multiple accounts. You should complete, sign, date and return your proxy card(s), as described in each proxy card you received.

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. In addition to solicitation by mail, some of our directors, officers and employees may solicit proxies in person or by telephone at no additional compensation. We 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.

PROPOSAL 1: ELECTION OF DIRECTORS

Our bylaws permit our Board of Directors to establish by resolution the authorized number of directors. Our Board of Directors currently consists of four directors, who are divided into three classes with staggered three-year terms. The current terms of our Class II directors— Timothy Brog and Michael Mikolajczyk— will expire at this Annual Meeting. Following the recommendation of the Nominating and Governance Committee, the Board of Directors recommends the re-election of Messrs. Brog and Mikolajczyk, 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 Messrs. Brog and Mikolajczyk, the nominees proposed by the Board, unless otherwise directed. Messrs. Brog and Mikolajczyk have 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, Messrs. Brog and Mikolajczyk are 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 (i) 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, and 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 (ii) minimum individual qualifications, including strength of character, mature judgment, familiarity with the Company's business and industry and independence of thought. 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 Messrs. Brog and Mikolajczyk and the rest of our current directors, including their business experience for the past five years, appears below.

NOMINEES FOR ELECTION

Class II Directors

Following are the Class II directors whose current term will expire at the 2018 Annual Meeting.

Timothy Brog, 54, joined us in May 2016 as a member of our Board of Directors and was appointed as our President and Chief Executive Officer effective March 17, 2017. Mr. Brog served on our Audit Committee from July 1, 2016 until March 17, 2017 and on the Compensation Committee from December 14, 2016 to March 17, 2017. From March 2015 until March 17, 2017, Mr. Brog served as the president of Locksmith Capital Management LLC, an investment advisory firm. Previously, he served as Chairman of the Board of Directors of Peerless Systems Corporation from June 2008 to February 2015, Chief Executive Officer from August 2010 to March 2015 and a director beginning in July 2007. Mr. Brog served as a Managing Director and Portfolio Manager to Locksmith Value Opportunity Fund LP from September 2007 to August 2010. He also served as Managing Director of E2 Investment Partners LLC, a special purpose vehicle to invest in Peerless, from March 2007 to July 2008. Prior to his experience at Locksmith Capital and E2 Investment Partners, Mr. Brog was President of Pembridge Capital Management LLC and the Portfolio Manager of Pembridge Value Opportunity Fund LP, a small cap value hedge fund, from June 2004 to September 2007. He also worked as the Managing Director of The Edward Andrews Group Inc., a boutique investment bank, from 1996 to 2007. From 1989 to 1995, Mr. Brog was a corporate finance and mergers and acquisitions associate of the law firm Skadden, Arps, Slate, Meagher & Flom LLP. Mr. Brog is currently a director of Eco-Bat Technologies Limited and has previously served as Chairman of the Board and Chairman of the Audit Committee of Deer Valley Corporation from October 2014 to April 2015, and as a member of the board of directors of the Topps Company Inc. from July 2006 to October 2007. Mr. Brog received a JD from Fordham University School of Law in 1989 and a BA from Tufts University in 1986. Mr. Brog’s qualifications to serve on our Board of Directors include his legal, investment banking, executive management and financial analysis experience.

Michael Mikolajczyk, 66, has 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 was elected as the chairman of our Board of Directors in December 2017. Mr. Mikolajczyk also serves as a member of our Audit, Compensation, and Nominating and Corporate Governance 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. In addition, Mr. Mikolajczyk 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 an MBA from Harvard Business School and a BS in business from Wayne State University. Mr. Mikolajczyk's qualifications to serve 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.

Vote Required to Elect Director

Under our bylaws, our directors are elected by a plurality of the shares present in person or by proxy and entitled to vote. 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" THE ELECTION OF OUR DIRECTOR NOMINEES, MESSRS. BROG AND MIKOLAJCZYK

DIRECTORS WHOSE TERMS DO NOT EXPIRE THIS YEAR

Class I Director

Susan M. Westphal, 53, is a continuing Class I director whose current term expires at our 2020 Annual Meeting. Ms. Westphal had served as a member of our Board of Directors since March 17, 2017. She currently serves as a member of the Audit, Compensation, and Nominating and Corporate Governance Committees. Ms. Westphal, has been Chief Counsel at Melissa & Doug, LLC, a leading designer and manufacturer of educational toys and children's' products, since February 2016. Ms. Westphal is responsible for a range of legal, strategic, and organizational matters. From January 2012 to January 2016, Ms. Westphal was an attorney with Brody and Associates, LLC. Ms. Westphal was previously an attorney at law firms including Epstein, Becker, & Green, p.c, where she represented corporate clients in litigations and negotiations in commercial, real estate, and employment matters. She holds a JD from The George Washington University National Law Center and a BA from Tufts University. Ms. Westphal's qualifications to serve on our Board of Directors include her extensive legal and negotiation experience.

Class III Director

Jefferson Gramm, 42, is a continuing Class III director whose current term will expire at our 2019 Annual Meeting. Mr. Gramm in connection with a Stock Purchase Agreement, dated November 16, 2017 was appointed to the Board on November 16, 2017. In the event that Mr. Gramm is unable to serve as director, resigns as a director or is removed as a director without cause prior to the 2019 Annual Meeting, Bandera Master Fund L.P., party to the before mentioned stock purchase agreement, shall have the ability to recommend a substitute person for appointment or election to the Board subject to Board approval. He currently serves as a member of our Audit, Compensation and Nominating and Governance Committees. Mr. Gramm has served as managing director, managing partner and portfolio manager of Bandera Partners, LLC a value-orientated investment partnership, and Bandera Partners Management LLC, an affiliate general partner entity, since August 2006. Previous to Bandera Partners, Mr. Gramm was a managing director of Arklow Capital LLC, a hedge fund manager focused on distressed and value investments from October 2004 to July 2006. Mr. Gramm serves as a director of Tandy Leather Company a distributor of leather and related products, since 2014 and as chairman of the board since 2017. From April 2013 to May 2014, Mr. Gramm served as director of Morgan's Foods Inc., a restaurant company and from May 2014 to October 2015 as director of Ambassadors Group, Inc., an educational travel company. He holds an MBA from Columbia University and a BA in philosophy from the University of Chicago. Mr. Gramm's qualifications to serve on our Board of Directors include his extensive experience in finance especially in areas of reviewing acquisition targets and negotiating and complete potential acquisitions.

PROPOSAL 2: DECREASE IN NUMBER OF AUTHORIZED SHARES OF PREFERRED STOCK

Overview

Our Certificate of Incorporation currently provides that 5 million shares of preferred stock are authorized for issuance. Our Board has unanimously approved and recommended to our stockholders for approval an amendment to our Certificate of Incorporation to decrease our authorized number of shares of preferred stock. The proposed amendment would reduce our authorized preferred shares to 1 million shares.

Our Board reserves the right to elect not to proceed with this proposed amendment to our Certificate of Incorporation if, at any time prior to its filing, our Board, in its sole discretion, determines that it is no longer in our best interests or the best interests of our stockholders to decrease our authorized number of shares of preferred stock.

The proposed amendment to our Certificate of Incorporation to decrease the number of our authorized shares preferred stock is substantially in the form set forth in Appendix A to this proxy statement.

Reasons for Decrease in Authorized Shares of Preferred Stock

Our Board has determined that the proposed decrease in the authorized number of shares of our preferred stock is in the Company's and our stockholders' best interests because the Company believes it will reduce Company expenses. The Company believes that 1 million shares of preferred stock is sufficient to meet its needs for equity financing, stock splits and stock dividends, employee equity incentives or other corporate purposes as may be deemed by the Board of Directors to be in the best interest of the Company and its stockholders from time to time. At present, our Board has no immediate plans, arrangements or understandings to issue shares of preferred stock.

Certain Risks and Potential Disadvantages Associated with the Decrease in Authorized Preferred Stock

The proposed decrease in the authorized number of shares of our preferred stock could have an adverse effect on us because the Board will have less ability to issue shares of preferred stock in connection with a potential merger or acquisition, or capital raising transaction. Authorized but unissued shares of our preferred stock are available for future issuance as may be determined by our Board without further action by our stockholders, unless stockholder

approval is required by applicable law or securities exchange listing requirements in connection with a particular transaction. These additional shares may be issued in the future for a variety of corporate purposes including, but not limited to, raising additional capital, corporate acquisitions and equity incentive plans. Future issuances of shares of preferred stock could have the effect of making it more difficult for a third party to acquire control of our Company. In addition, the issuance of additional shares, or the perception that additional shares may be issued could also adversely affect the market price of our common stock.

Effective Time of Decrease in Authorized Shares of Preferred Stock

Following stockholder approval of this Proposal 3, the decrease in authorized shares of preferred stock would become effective upon the filing of a certificate of amendment to our Certificate of Incorporation with the Secretary of State of the State of Delaware, or such later effective time as is specified in such certificate of amendment as permitted under Delaware law. The exact timing of the amendment will be determined by our Board based on its evaluation as to when such action will be the most advantageous to us and our stockholders. Our Board reserves the right, notwithstanding stockholder approval and without further action by the stockholders, to elect not to proceed with the amendment to decrease the authorized number of shares if, at any time prior to filing the amendment to our Certificate of Incorporation, our Board, in its sole discretion, determines that it is no longer in our best interests or the best interests of our stockholders to decrease the authorized number of shares of preferred stock.

If the amendment is filed, at the effective time of the amendment, shares of our preferred stock authorized for issuance will be decreased to 1 million shares.

Recommendation of the Board of Directors

OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE APPROVAL OF THE AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO DECREASE THE AUTHORIZED NUMBER OF SHARES OF OUR PREFERRED STOCK.

PROPOSAL 3:

RATIFICATION OF SELECTION OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

After soliciting and considering proposals from several firms including Grant Thornton LLP ("Grant Thornton"), on December 28, 2017, the Audit Committee of the Board of Directors dismissed Grant Thornton as the Company's independent registered public accounting firm and approved the selection of Marcum LLP ("Marcum") to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2017 and engaged Marcum as of December 28, 2017.

The Audit Committee of the Board of Directors has selected Marcum LLP ("Marcum") to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018 and is submitting this matter to the stockholders for ratification at the Annual Meeting. One or more representatives of Marcum will be present at the Annual Meeting to make a statement if they desire to do so and to be available to respond to appropriate questions that may be asked by stockholders.

Neither our bylaws nor other governing documents or law require stockholder ratification of the selection of Marcum as our independent registered public accounting firm. However, the Board is submitting the selection of Marcum to the stockholders for ratification as a matter of good corporate practice. In the event the proposal to ratify the selection of Marcum is defeated, the adverse vote will be considered as a direction to the Board to select another independent registered public accounting firm for the next fiscal year ending December 31, 2019. However, because of the expense and difficulty in changing independent registered public accounting firms after the beginning of a year, the Board intends to allow the appointment of Marcum for the fiscal year ending December 31, 2018 to stand unless the Board finds other reasons for making a change.

During the Company's fiscal years ended December 31, 2015 and 2016 and the subsequent interim period through December 28, 2017, neither the Company, nor anyone acting on its behalf, consulted Marcum regarding (1) the application of accounting principles to a specified transaction, either completed or proposed; (2) the type of audit opinion that might be rendered on the Company's financial statements, and Marcum did not provide any written report or oral advice that Marcum concluded was an important factor considered by the Company in reaching a decision as any such accounting, auditing, or financial reporting issue; or (3) any matter that was either the subject of a "disagreement" as that term is defined in Item 304(a)(1)(iv) and the related instructions to Item 304 of Regulation S-K or a "reportable event" as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

During the Company's fiscal years ended December 31, 2015 and 2016 and the subsequent interim period through December 28, 2017, there were: (1) no disagreements as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K, between the Company and Grant Thornton on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Grant Thornton would have caused it to make reference thereto in its reports on the Company's financial statements for such years; and (2) no reportable events as that term is defined in Item 304(a)(1)(v) of Regulation S-K. Grant Thornton's audit reports on the Company's consolidated financial statements for the fiscal year ended December 31, 2016 and 2015 did not contain an adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

The Company provided Grant Thornton a copy of its disclosures when it first reported its change in certifying accountant on Form 8-K dated January 2, 2018 and requested that Grant Thornton furnish a letter addressed to the Securities and Exchange Commission stating whether or not it agreed with the Company's statements and if not, stating the respects in which it did not agree. A copy of the letter dated December 28, 2017, is filed as Exhibit 16.1 to the Company's Current Report on Form 8-K filed with the SEC on January 2, 2018. A representative of Grant Thornton is not expected to be present at the Annual Meeting.

Audit Fees

The aggregate fees billed by Marcum for audit services (audit of the Company's annual financial statements and assistance with and review of SEC filings) for fiscal 2017 was $83,000.

The aggregate fees billed by Grant Thornton for audit services (audit of the Company's annual financial statements, reviews of the Company's interim unaudited financial statements, and assistance with and review of SEC filings) for fiscal 2017 and fiscal 2016 were $94,201 and $282,044, respectively.

Audit-Related Fees

There were no audit-related fees billed by Marcum in fiscal 2017. There were no audit-related fees billed by Grant Thornton in fiscal 2017 or fiscal 2016.

Tax Fees

There were no such fees billed by Grant Thornton or Marcum in fiscal 2017. The aggregate fees billed by Grant Thornton in fiscal 2016 for tax planning services were $12,480.

All Other Fees

There were no other fees billed by Marcum in fiscal 2017 or Grant Thornton in fiscal 2017 or fiscal 2016 for any other services.

Pre-Approval Policy and Procedures

In accordance with the Sarbanes-Oxley Act of 2002, the Audit Committee is required to pre-approve all auditing services and permissible non-audit services, including related fees and terms, to be performed for the Company by its independent registered public accounting firm subject to the de minimis exceptions for non-audit services described under the Exchange Act, which are approved by the Audit Committee prior to the completion of the audit. In fiscal 2017 and fiscal 2016, the Audit Committee pre-approved all audit and non-audit services provided to the Company by its independent registered public accounting firm.

Vote Required

Approval of this proposal requires the affirmative vote of a majority of the shares of our common stock present in person or by proxy and entitled to vote. For more information on the voting requirements, see “Questions and Answers about the Proxy Materials, Annual Meeting and Voting.”

Recommendation of the Board of Directors

OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE RATIFICATION OF THE SELECTION OF MARCUM LLP TO SERVE AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2018.

PROPOSAL 4:

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Overview

The Company is providing its stockholders an advisory vote on executive compensation as required by Section 14A of the Exchange Act and Rule 14a-21 promulgated thereunder. The advisory vote on executive compensation is a non-binding vote to approve the compensation of the Company's named executive officers, as disclosed pursuant to SEC rules in this proxy statement, including the compensation tables and the accompanying narrative disclosure. The advisory vote on executive compensation is not a vote on the Company's general compensation policies or compensation of the Board of Directors**.**

The Company's executive compensation programs are designed to attract, motivate and retain highly qualified executive officers who are able to achieve corporate objectives and create stockholder value. The Compensation Committee believes the Company's executive compensation programs reflect a strong pay-for-performance philosophy and are well aligned with the stockholders' long-term interests. The Compensation Committee believes the Company's executive compensation programs have been effective at incentivizing the achievement of improved financial performance and returns to stockholders.

At our 2017 annual meeting of stockholders, the Company's stockholders approved a one-year frequency for the stockholder advisory vote to approve executive compensation. While the stockholder vote on the frequency of future advisory votes on executive compensation is not binding, the Board will take it into consideration when determining the frequency of future advisory votes to approve executive compensation.

Stockholders are being asked to vote on the following resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to SEC rules in this proxy statement, including the compensation tables and accompanying narrative disclosure under "Executive Compensation," is hereby APPROVED.

While this advisory vote on executive compensation is not binding on the Board of Directors, the Board of Directors will take into account the result of the vote when determining future executive compensation arrangements.

Vote Required

Approval of this proposal requires the affirmative vote of a majority of the shares of our common stock present in person or by proxy and entitled to vote. For more information on the voting requirements, see "Questions and Answers about the Proxy Materials, Annual Meeting and Voting."

Recommendation of the Board of Directors

OUR BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE RESOLUTION APPROVING EXECUTIVE COMPENSATION.

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 or her ability to exercise independent judgment in carrying out his or her responsibilities. As a result of this review, our Board of Directors determined that Messrs. Mikolajczyk, Gramm and Ms. Westphal are independent under the standards for director independence adopted by the Board of Directors and are “independent directors” as defined under the rules of the NASDAQ Stock Market. Based on the foregoing, our Board of Directors has concluded that a majority of our Board of Directors has been independent during the periods covered by this proxy statement, as required by the rules of the NASDAQ Stock Market. The standards for director independence adopted by the Board of Directors are available for review on our website www.rubicontechnology.com.

BOARD OF DIRECTORS LEADERSHIP STRUCTURE

Our Board of Directors is led by an independent Chairman, Mr. Mikolajczyk. The Board has determined that having an independent Chairman is in the best interest of the Company’s stockholders at this time and adopted a formal policy to that effect on December 14, 2016. 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.

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 2017. 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, www.rubicontechnology.com. 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 twelve meetings during 2017. 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 2017. Our non-employee directors meet regularly without our Chief Executive Officer present.

Audit Committee

From January 1, 2017 until March 17, 2017, our Audit Committee was comprised of Don N. Aquilano, Timothy Brog and Michael E. Mikolajczyk. Mr. Brog resigned from the committee effective March 17, 2017, the date on which he became an executive officer of the Company. Donald R. Caldwell was appointed to the committee effective March 22, 2017 to replace Mr. Brog. Mr. Caldwell resigned from the board on November 16, 2017 and Mr. Aquilano resigned from the board on November 20, 2017. Susan M. Westphal and Jefferson Gramm were appointed to the committee effective December 12, 2017 to replace Messrs. Aquilano and Caldwell.

Mr. Mikolajczyk is the chairman of our Audit Committee. Our Board of Directors has determined that each member of our Audit Committee, during the period served on the committee, met or 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;

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 six meetings during 2017.

Compensation Committee

From January 1, 2017 until March 17, 2017, our Compensation Committee was comprised of Donald R. Caldwell, Michael E. Mikolajczyk, Timothy Brog and Raymond J. Spencer. Susan M. Westphal was appointed to the committee effective March 22, 2017 to replace Mr. Brog. Jefferson Gramm was appointed to the committee effective December 12, 2017 to replace Mr. Caldwell who had resigned.

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

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.

Our Compensation Committee held four meetings during 2017.

Nominating and Governance Committee

From January 1, 2017 until March 22, 2017 our Nominating and Governance Committee was comprised of Donald R. Caldwell, Don N. Aquilano and Raymond J. Spencer. Susan M. Westphal was appointed to the committee effective March 22, 2017. Jefferson Gramm and Michael E. Mikolajczyk were appointed to the committee effective December

12, 2017 to replace Messrs. Aquilano and Caldwell who had resigned.

Ms. Westphal 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 2017.

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 or amendment to the Code of Ethics granted to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, will be timely disclosed on the Company's website as set forth above rather than by filing a Form 8-K. The information found on our website is not part of this proxy statement or any report filed with or furnished to the SEC.

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.

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 Director” on page [ ] 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 under the standards adopted by the Board of Directors and 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 2017 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, Marcum LLP, is responsible for performing an independent audit of the financial statements and issuing its report 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, 2017:

Reviewed and discussed with management and the independent registered public accounting firm the audited financial statements, the quarterly financial statements, and press releases for the year ended December 31, 2017. 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.

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 for the fiscal year ended December 31, 2017.

Michael E. Mikolajczyk, Chairman

Susan M. Westphal

Jefferson Gramm

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. For 2017, all non-employee directors received an annual fee of $70,000, plus $5,500 per year for service on the Audit Committee. The chairs of the Audit, Compensation and Nominating and Governance Committees received, per year, $11,750, $5,000 and $2,500, respectively. The Chairman of the Board of directors received an additional annual fee of $50,000. No additional payment was made to directors for meeting attendance.

Beginning in 2018, the annual fee paid to non-employee directors was reduced from $70,000 per year to $20,000 cash payable quarterly. From January 1, 2018 to the 2018 Annual Meeting of Stockholders, the directors will earn $5,000 in restricted stock. In addition at every Annual Meeting beginning this year non-employee directors will also receive $10,000 in restricted stock units which vest on the day immediately preceding the next following Annual Meeting of Stockholders. The Chairman of the Board and Chairman of the Audit Committee each receive an annual cash retainer of $5,000, payable quarterly.

For 2017, each director's fees were paid one-half in restricted stock granted at the end of each calendar quarter and one-half in cash. Upon joining the Board, Ms. Westphal and Mr. Gramm received the pro-rated annual fee for non-employee directors. 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 2017.

Name	Fees Earned or Paid in Cash ($)	**Stock Awards[(1)] ($)**		Total ($)
Don N. Aquilano	55,474	55,445	(2)	110,919
Donald R. Caldwell	34,259	34,268	(3)	68,527
Michael E. Mikolajczyk	40,693	40,701	(4)	81,394
Raymond J. Spencer	8,939	8,938	(5)	17,877
Timothy Brog[(6)]	24,423	7,757	(7)	15,514
Susan M. Westphal	28,882	28,878	(8)	57,760
Jefferson Gramm	4,823	4,820	(9)	9,643

(1) Amounts reflect the aggregate grant date fair value of the restricted stock awards granted in 2017 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 for the year ended December 31, 2017.

(2) On March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017, we granted Mr. Aquilano 1,799, 1,689, 1,914 and 1,068 shares of restricted stock, respectively. Mr. Aquilano resigned from the Board of Directors on November 20, 2017.

(3) On March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017, we granted Mr. Caldwell 1,083, 1,084, 1,228 and 598 shares of restricted stock, respectively. 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. Mr. Caldwell resigned from the Board of Directors on November 16, 2017.

(4) On March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017, we granted Mr. Mikolajczyk 1,172, 1,101, 1,247 and 1,269 shares of restricted stock, respectively.

(5) On March 31, 2017 we granted Mr. Spencer 1,039 shares of restricted stock. Mr. Spencer's term as director expired at the May 3, 2017 annual meeting.

(6) Effective March 17, 2017, Mr. Brog was appointed as our President and Chief Executive Officer. From and after this date, Mr. Brog continues to serve as a director but will not receive any compensation for his service as a director provided, however, that the one-time equity and cash grants that Mr. Brog received upon joining the Board will continue to vest and remain payable in accordance with their terms so long as Mr. Brog continues to serve on the Board.

(7) On March 31, 2017, we granted Mr. Brog 902 shares of restricted stock connected to his service as a director prior to his appointment as our President and Chief Executive Officer.

(8) On March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017, we granted Ms. Westphal 17, 964, 1,106 and 1,175 shares of restricted stock, respectively. Ms. Westphal was appointed as a non-employee director for the Company effective March 17, 2017.

(9) On December 31, 2017, we granted Mr. Gramm 604 shares of restricted stock. Mr. Gramm was appointed as a non-employee director for the Company effective November 16, 2017.

EXECUTIVE COMPENSATION

EXECUTIVE OFFICERS

CURRENT EXECUTIVE OFFICERS

Timothy Brog, age 54, was appointed as our President and Chief Executive Officer effective March 17, 2017. Mr. Brog has also been a member of our Board of Directors since May 2016. His biographical information is provided under "Proposal 1: Election of Directors" on page 8 above.

Mardel A. Graffy, age 58, 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.

SUMMARY COMPENSATION TABLE

The table below sets forth, the compensation earned by Timothy Brog the President and Chief Executive Officer, William F. Weissman, our former President and Chief Executive Officer, Mardel A. Graffy, the Chief Financial Officer, and Hany Tamim, our former Chief Operating Officer, during fiscal 2016 and fiscal 2017. Such persons are referred to in this proxy statement as our "named executive officers." Mr. Tamim's employment with us ended effective as of December 31, 2016 and Mr. Weissman's employment with us ended effective as of March 17, 2017. Per terms of Mr. Weissman's employment agreement severance payments continued through fiscal 2017.

Name and Principal Position	Year	Salary ($)	Bonus ($)	**Stock Awards[(2)] ($)**	All Other Compensation ($)	Total ($)
Timothy E. Brog	2017	242,446	55,000[(1)]	322,623		620,069

President & Chief Executive Officer							
William F. Weissman[3]	2017	68,120	—	—	246,629	(4)	314,749
Former President & Chief Executive Officer	2016	306,661	—	—	—		306,661
Mardel A. Graffy	2017	200,000	—	—	—		200,000
Chief Financial Officer	2016	203,033	—	—	—		203,033
Hany Tamim[5]	2016	225,000	42,556	—	136,369	(6)	403,925
Former Chief Operating Officer							

(1) Amount represents a $25,000 cash bonus paid to Mr. Brog in connection with his appointment as Chief Executive Officer and President and a $30,000 discretionary bonus paid to Mr. Brog.

(2) Amounts represent the full aggregate grant date fair value of the restricted stock units granted in 2017, calculated in accordance with FASB ASC Topic 718. The equity grant is subject to price based vesting and was not an outright stock grant. 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 2017, please see Note 7 to the Company's consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2017.

(3) Mr. Weissman served as our President Chief Executive Officer from December 2014 to March 16, 2017. The table includes his compensation for this period.

(4) Reflects severance and continuation of benefits paid in 2017 in accordance with Mr. Weissman's employment agreement for termination without cause on March 16, 2017.

(5) Mr. Tamim was our Chief Operating Officer from October 2015 to December 2016. The table includes his compensation for this period.

(6) Reflects value of vehicle rental of $10,857 and severance of $125,512 paid in accordance with Mr. Tamim's letter of appointment for termination without cause on December 31, 2016.

Discussion of Summary Compensation Table

Our executive compensation policies and practices for fiscal 2017 and 2016, pursuant to which the compensation set forth in the "Summary Compensation Table" table was paid or awarded, are described below.

Base salary

Pursuant to the terms of their employment agreements, the annual base salaries for 2017 and 2016 for Mr. Brog, Mr. Weissman, and Ms. Graffy were $306,000, $300,000, and $200,000, respectively. Mr. Tamim's base salary for 2016 was $225,000. We formally evaluate executive performance on an annual basis, and these evaluations are one of the factors considered in making adjustments to base salaries. After consideration of the Company's performance within our industry, the base salaries for our named executive officers were not increased in 2017.

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.

The Compensation Committee also granted Mr. Brog a discretionary cash bonus of $30,000 in recognition of Mr. Brog's efforts to cause the Company's improved financial, operational and strategic performance, in the last three quarters of calendar 2017. Mr. Brog received a cash bonus of $25,000 in connection with his appointment as Chief Executive Officer and President.

For 2017, there were no other cash incentive bonuses paid or bonus plans in place.

For 2016, 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. Forty-five percent (45%) of the bonus would be paid if the Company's operations

had been cash flow positive (the "2016 Cash Flow Target"), meaning that the Company was cash flow positive for the fourth quarter of 2016 and was reasonably expected to be cash flow positive in 2017. If, and only if, the 2016 Cash Flow Target had been achieved, then the remaining 55% of the target bonus could have been achieved based upon the following performance goals: an additional 15% of the target bonus would be paid if the Company's annual optical revenue was $8.0 million or more, 15% of the target bonus would be paid if the Company had qualified Sapphire on Glass ("SoG") for production with at least one customer, 15% of the target bonus would be paid if for the Company's LANCE product, the Air Force Research Lab deliverables were completed and qualified with at least one customer, 5% of the target bonus would be paid if the Company sold out wafer capacity by the end of 2016 and 5% of the target bonus would be paid if the Company qualified with two other six inch wafer customers. The 2016 Cash Flow Target was not achieved and, therefore, no incentive cash bonuses were paid to executive officers for fiscal 2016.

In consideration for his continued supervision of operations at the Penang, Malaysia facility through its closure in order for us to honor our customer obligations, on September 12, 2016, we approved cash bonuses to Mr. Tamim for the months of October and November 2016 in the amount of either $10,000 or $15,000 per month, contingent on the polished wafer cost in the respective month being below specified thresholds. These thresholds were achieved and bonuses aggregating $30,000 were paid to Mr. Tamim. Also on September 12, 2016, we determined that Mr. Tamim would be eligible to receive an incentive bonus equal to 1% of the sale price of the real estate in Penang if Mr. Tamim was able to arrange the successful sale of such property. No sale of the property was arranged. Consistent with the Company's determination to close its facility in Penang and to sell the Company's assets relating to the Malaysian operations, on September 28, 2016, the Compensation Committee determined that Mr. Tamim would receive an incentive bonus equal to 2% of the sale price of any of our remaining equipment in Penang if Mr. Tamim was able to successfully arrange the sale of such equipment. Mr. Tamim was paid $12,556 in connection with the sales of equipment he arranged. These bonuses were subject to certain conditions, including Mr. Tamim's continued employment with us through November 30, 2016. The bonus amounts described above were in addition to severance payments that Mr. Tamim was eligible to receive under his letter of appointment and applicable law.

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. There were no equity awards granted to executives in 2016.

On March 15, 2017, the Company entered into an employment agreement (as amended and restated on May 12, 2017) with Mr. Brog. Pursuant to the terms of his employment agreement, Mr. Brog was granted restricted stock units ("RSUs") valued at $322,623. The vesting condition metrics of the RSUs were determined by the Compensation Committee.

The RSUs vest in the amounts set forth below on the first date the 15-trading day average closing price of the Company's common stock equals or exceeds the corresponding target price for the common stock before March 15, 2021.

Number of restricted stock units	Target price
15,000	$ 6.50
15,000	$ 8.00
15,000	$ 9.50
14,098	$ 11.00

During the twelve months ended December 31, 2017, the first three tranches of the grant vested.

The 2017 restricted stock unit grants were made pursuant to our 2016 Plan, which was adopted by our Board of Directors and our stockholders on June 24, 2016. The 2016 Plan permits the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and bonus shares.

Severance and change in control arrangements

Payments upon termination are described below under “Potential Payments Upon Termination of Employment or Change in Control”.

OUTSTANDING EQUITY AWARDS AT 2017 FISCAL YEAR-END

The following table sets forth the outstanding equity awards for our named executive officers as of December 31, 2017. William Weissman served as our President and Chief Executive Officer until March 17, 2017.

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Timothy Brog	—	—	—		14,098 (1)	112,502 (2)		
William Weissman	27,777 (3)		10.00	March 17, 2019(3)				
Mardel A. Graffy								
	3,000	—	40.10	February 27, 2019				
	1,500	—	326.70	June 22, 2020				
	1,500	—	101.90	December 13, 2021				

1,875	(4)	625	(4)	51.20	September 19, 2024
8,708	(5)	8,708	(5)	10.00	November 30, 2025

(1) The award of 59,098 restricted stock units vest in the amounts set forth below on the first date the 15-trading day average closing price of the Company's common stock equals or exceeds the corresponding target price for the common stock before March 15, 2021. 15,000 - $6.50, 15,000 - $8.00, 15,000 - $9.50 and 14,098 - $11.00, provided that Mr. Brog remains employed with us through the applicable vesting dates. The first three tranches vested in 2017.

(2) The market value of unvested stock awards is calculated by multiplying the number of unvested restricted stock units by $7.98, the closing price of the Company's common stock on The NASDAQ Stock Market on December 31, 2017.

(3) In connection with the termination of Mr. Weissman's employment effective March 17, 2017, all of his unvested options became vested on March 24, 2017 and the exercise date of his options granted on December 1, 2015 was extended to March 17, 2019. The exercise period for these options would have otherwise expired on June 17, 2017 as a result of Mr. Weissman's termination.

(4) The stock options vest in equal annual installments over a period of four years with the first vesting date on September 19, 2015, provided that Ms. Graffy remains employed with us through the applicable vesting dates.

(5) The stock options vest in equal annual installments over a period of four years with the first vesting date on December 1, 2016, provided that Ms. Graffy remains employed with us through the applicable vesting dates.

TERMINATION OF EMPLOYMENT OR CHANGE IN CONTROL

Mr. Brog's Severance Terms. Pursuant to the terms of his employment agreement, if Mr. Brog's employment is terminated by us without "cause" or if he resigns for "good reason," he will receive a continuation of his annual base salary for twelve months thereafter and all of his outstanding restricted stock unit awards will become vested, provided that Mr. Brog delivers a release of claims to the Company. In addition, he is entitled to receive any unused vacation pay, any bonus earned prior to the termination date that remained unpaid, and continuation of his medical and welfare benefits for a period of twelve months thereafter. If within two years after a "change in control," as defined in the 2016 Plan and summarized below, we terminate Mr. Brog without cause or he resigns for good reason, he will be entitled to a lump sum payment equal to 100% of his annual base salary in lieu of the salary continuation described above.

For purposes of Mr. Brog's agreement (i) "cause" generally is defined as willful misconduct materially and adversely affecting us; theft, fraud, embezzlement or similar behavior; indictment or conviction of a felony; or willfully failing to substantially perform the material duties of his position, other than failure resulting from incapacity due to physical or mental illness, following a demand for performance delivered by the Board of Directors and a specified cure period of not less than 10 days; and (ii) "good reason" generally is defined as a material reduction in base salary or benefits; substantial diminution in Mr. Brog's duties, responsibilities or title, if uncured by us within 30 days of receipt of notice from Mr. Brog; or Mr. Brog is required by the Board to work in the Company's office located in any place other than in the New York metropolitan area for more than 12 days in any one month in order to maintain employment with the Company.

Mr. Weissman's Severance Terms. Effective March 17, 2017, Mr. Weissman's employment with us ended and the Company and Mr. Weissman entered into the Separation Agreement, under which Mr. Weissman will receive $300,000, payable over a period of twelve (12) months, and health and welfare benefits for a period of twelve (12) months. All of Mr. Weissman's unvested options became vested on March 24, 2017. All of Mr. Weissman's options remained exercisable until June 17, 2017, other than 27,777 options granted to Mr. Weissman on December 1, 2015 which will expire on March 17, 2019. Pursuant to the Separation Agreement, Mr. Weissman provided the Company with a general release of claims against the Company. The value of Mr. Weissman's severance benefits is reported in the Summary Compensation Table above.

Ms. Graffy's Severance Terms. Pursuant to the terms of her employment agreement, if Ms. Graffy's employment is terminated by us without "cause" or if she resigns for "good reason," she will receive a continuation of her annual base salary for six months thereafter and all of her outstanding stock option awards will become vested, provided that Ms. Graffy delivers a release of claims to the Company. In addition she is entitled to receive any unused vacation pay, any bonus earned prior to the termination date that remained unpaid, and continuation of her medical and welfare benefits for a period of six months thereafter. If within two years after a "change in control," as defined in the 2007 Plan and summarized below, we terminate Ms. Graffy without cause or she resigns for good reason, she will be entitled to a lump sum payment equal to 50% of her annual base salary in lieu of the salary continuation described above.

For purposes of Ms. Graffy's agreement (i) "cause" generally is defined as willful misconduct materially and adversely affecting us; theft, fraud, embezzlement or similar behavior; indictment or conviction of a felony; or willfully failing to substantially perform the material duties of her position, other than failure resulting from incapacity due to physical or mental illness, following a demand for performance delivered by the Board of Directors and a specified cure period of not less than 10 days; and (ii) "good reason" generally is defined as a material reduction in base salary or benefits; substantial diminution in Ms. Graffy's duties, responsibilities or title, if uncured by us within 30 days of receipt of notice from Ms. Graffy; or relocation for a period of greater than six consecutive months greater than 100 miles from the Chicago metropolitan area.

Mr. Tamim's Severance Terms. Mr. Tamim's employment with us ended on December 31, 2016. Pursuant to the terms of his letter agreement, upon his termination, Mr. Tamim became entitled to receive a continuation of his annual base salary for six months thereafter and his options and restricted stock units became vested. In addition, he became entitled to receive any unused vacation pay, any bonus earned prior to the termination date that remained unpaid, reimbursement of medical claims for six months following the termination date, and a continuation of his medical and welfare benefits for a period of six months thereafter. The value of Mr. Tamim's severance benefits is reported in the Summary Compensation Table above.

Restrictive Covenants. Each executive's employment agreement contained or contains customary non-competition and non-solicitation covenants. These restrictions survive for a period of 12 months after the executive's resignation or termination, and in the event of a breach of his or her employment agreement, the period is automatically extended by the period of the breach.

Equity Compensation Awards. The equity compensation awards granted under the 2016 Plan or 2007 Plan may become vested upon a change in control. The 2016 and 2007 Plans provide that in the event of "change in control," as defined in the 2016 and 2007 Plans, 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. Notwithstanding the Compensation Committee's general discretionary authority described above, the individual award agreements may provide for the vesting of such awards upon the occurrence of a change in control. Under the 2016 and 2007 Plans, 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 2016 and 2007 Plans), 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.

LIMITATION ON LIABILITY AND INDEMNITY

Our Certificate of Incorporation contains provisions that limit or eliminate the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as a director, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Our bylaws provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our bylaws also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered into agreements and intend to continue to enter into agreements to indemnify our executive officers and directors. With certain exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding for which indemnification is available. We believe these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' insurance.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND

MANAGEMENT AND RELATED STOCKHOLDER MATTERS

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Unless otherwise noted, the following table sets forth, as of April 2, 2018, the beneficial ownership of our common stock by:

- each person that was a beneficial owner of 5% of more of our outstanding shares of common stock;
- each of our named executive officers;
- each of our directors, including the director nominees; and
- all of our named executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. Except as described below, in computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to restricted stock units, options or warrants held by that person that are currently exercisable or exercisable within 60 days of April 2, 2018 are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to such securities. Except as otherwise indicated, all of the shares reflected in the table are shares of common stock and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. Percentage of beneficial ownership is based on 2,740,909 shares of common stock outstanding as of April 2, 2018. Unless otherwise indicated in the footnotes below, the address for each beneficial owner is c/o Rubicon Technology, Inc., 900 East Green Street, Bensenville, Illinois 60106.

	Shares beneficially owned		
Name of beneficial owner	Number	Percent	
5% stockholders:			
Bandera Master Fund L.P.[1]	258,256	9.4	%
Ariel Investments, LLC[2]	182,827	6.7	%
Aldebaran Capital LLC[3]	160,373	5.9	%

Sententia Capital Management LLC[4]	143,120	5.2	%
Named Executive Officers and Directors:			
Timothy Brog[5]	37,000	1.4	%
Mardel A. Graffy[6]	17,961	*	
Jefferson Gramm[7]	259,486	9.5	%
Michael E. Mikolajczyk[8]	38,222	1.4	%
Susan M. Westphal[9]	4,038	*	
All executive officers and directors as a group (5 persons)[10]	356,708	12.9	%

*Represents less than 1% of the outstanding shares of common stock.

(1) The ownership information set forth in the table is based on information contained in a statement on Schedule 13D (the "Bandera 13D"), filed on November 11, 2017, with the SEC by Bandera Master Fund L.P. ("Bandera"), together with Bandera Partners LLC, Gregory Bylinksy and Jefferson Gramm, Managing Partners, Managing Directors and Portfolio Managers of Bandera Partners ("Reporting Persons") with respect to ownership of shares of our common stock. The Bandera 13D reflects that each of Bandera Master Fund L.P. and Bandera Partners has sole dispositive and voting power with respect to 258,256 of the reported shares. Bandera reports on the Bandera 13D that each of Messrs. Bylinksy and Gramm as Managing Partners, Managing Directors and Portfolio Managers of Bandera Partners may be deemed to have shared power to vote or dispose of the shares owned by Bandera. Bandera reports on the Bandera 13D that no person other than the Reporting Persons have the right to receive or the power to direct the receipts of dividends from, or the proceeds from the sale of, our common stock. Mr. Gramm is a director of the Company. The principal business address of Bandera is 50 Broad Street, Suite 1820, New York, New York 10004.

(2) The ownership information set forth in the table is based on information contained in a statement on Schedule 13G/A (the "Ariel 13G"), filed on February 13, 2018 with the SEC by Ariel Investments, LLC ("Ariel") with respect to ownership of shares of our common stock. The Ariel 13G reflects that Ariel has sole voting power with respect to 83,619 shares, and sole dispositive power with respect to 182,827 shares of our outstanding common stock. Ariel reports on the Ariel 13G that its adviser clients have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, all of the reported shares, but that none of Ariel's clients have an economic interest in more than 5% of the Company's outstanding shares. The principal business address of Ariel is 200 E. Randolph Drive, Suite 2900, Chicago, Illinois 60601.

(3) The ownership information set forth in the table is based on information contained in a statement on Schedule 13D (the "Aldebaran 13D"), filed on June 30 2017, with the SEC by Aldebaran Capital LLC ("Aldebaran"), together with Kenneth R. Skarbeck ("Reporting Persons") with respect to ownership of shares of our common stock. The Aldebaran reports that included in the 160,373 shares held by Aldebaran are 3,770 shares beneficially held in family accounts related to Kenneth R. Skarbeck. The Aldebaran 13D reflects that the Reporting Persons have shared dispositive and voting power with respect to 160,373 of the reported shares. Aldebaran reports on the Aldebaran 13D that no person other than the Reporting Persons have the right to receive or the power to direct the receipts of dividends from, or the proceeds from the sale of, our common stock and that none of Aldebaran's clients have an economic interest in more than 5% of the Company's outstanding shares. The principal business address of Aldebaran is 10293 N. Meridian Street, Suite 100, Indianapolis, Indiana 46290.

(4) The ownership information set forth in the table is based on information contained in a statement on Schedule 13D (the "Sententia 13D"), filed on December 15, 2017, with the SEC by Sententia Capital Management LLC ("Sententia"), together with Sententia Group, LP, Sententia CI-I, LP and Michael R. Zapata ("Reporting Persons") with respect to ownership of shares of our common stock. The Senentia 13D reflects that each of the Reporting Persons have dispositive and voting power with respect to 143,120 of the reported shares. Sententia reports on the Sententia 13D that no person other than the Reporting Persons have the right to receive or the power to direct the receipts of dividends from, or the proceeds from the sale of, our common stock but that none of Sententia's clients have an economic interest of more than 5% of the Company's outstanding shares. The principal business address of Sententia is 745 Fifth Avenue, 14th Floor, New York, New York 10151.

(5) Includes 32,099 shares of common stock and 4,902 shares of restricted common stock. Excludes 45,000 restricted stock units granted to Mr. Brog. One third of such restricted stock units will vest if prior to May 12, 2021, the 15-trading day average closing price of the Company's common stock is greater than or equal to the target prices of $11.00, $12.50 and $14.00, respectively. (6) Includes 563 shares of common stock. Includes options granted to purchase 16,583 shares of common stock, which are exercisable within 60 days of April 2, 2018, owned by Ms. Graffy. Also includes 815 shares of common stock owned by the Mardel A. Graffy Trust dtd 1/27/2005.

(7) Includes 1,230 shares of common stock, owned by Mr. Gramm. Also includes 258,256 shares of common stock beneficially owned by Bandera Master Fund LLP. See footnote (1) above for a description of the relationship between Mr. Gramm and Bandera Master Fund LLP. Mr. Gramm disclaims beneficial ownership of the shares beneficially owned by Bandera Master Fund LLP.

(8) Includes 36,275 shares of common stock and options to purchase 1,947 shares of common stock, which are exercisable within 60 days of April 2, 2018.

(9) Includes 4,038 shares of common stock.

(10) Includes 333,276 shares of common stock, 4,902 shares of restricted common stock and options to purchase 18,530 shares of our common stock, which are exercisable within 60 days of April 2, 2018, beneficially owned by our executive officers and directors.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and to provide us copies of these reports. Based solely on a review of the copies of these reports furnished to us and written representations that no other reports were required to be filed, we believe that all such filings applicable to our officers, directors and beneficial owners of greater than 10% of our common stock were made timely during the fiscal year ended December 31, 2017.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Policy and Procedures for Review, Approval or Ratification

We recognize that transactions between the Company and related persons present a potential for actual or perceived conflicts of interest. Our general policies with respect to such transactions are included in our Code of Ethics which is administered by our Audit Committee. All employees and members of our Board of Directors agree to be bound by the Code of Ethics. As a supplement to the Code of Ethics, the Audit Committee adopted a written policy setting out the procedures and standards to be followed for the identification and evaluation of "related party transactions." For purposes of the policy, a related party transaction is any transaction or series of related transactions in excess of $120,000 in which we are a party and in which a "related person" has a material interest. Related persons include our directors, director nominees, executive officers, beneficial owners of 5% or more of any class of our voting securities and members of their immediate families. The Audit Committee has determined that certain transactions are deemed to be pre-approved under this policy. These include (i) transactions with another company in which the related person's only interest is as a director or beneficial owner of less than 10% of the equity interests in that other company and (ii) certain compensation arrangements that have either been disclosed in our public filings with the SEC or approved by our Compensation Committee.

We collect information about potential related party transactions in our annual questionnaires completed by directors, executive officers and certain beneficial owners of 5% or more of any class of our voting securities. Potential related party transactions are first reviewed and assessed by our Secretary to consider the materiality of the transactions and then reported to the Audit Committee. If a related party transaction is identified during the year, it is reported promptly to the Audit Committee. The Audit Committee reviews and considers all relevant information available to it about each related party transaction. A related party transaction is approved or ratified only if the Audit Committee determines that it is in, or is not inconsistent with, our best interests and those of our stockholders and is in compliance with the Code of Ethics.

We did not have any such related party transactions, in excess of the lesser of $120,000 or 1% of the average of our total assets at year end for the past two fiscal years.

ADDITIONAL INFORMATION

2019 STOCKHOLDER PROPOSALS FOR INCLUSION IN THE PROXY STATEMENT

Any proposal that a stockholder intends to present for action at the 2019 Annual Meeting must be received by the Company no later than December 16, 2018, in order for the proposal to be included in the proxy statement and form of proxy for the 2019 Annual Meeting. Any such proposal must meet the applicable requirements of the Exchange Act and the rules and regulations thereunder. Such proposals should be sent to Mardel A. Graffy, Secretary, Rubicon Technology, Inc., 900 East Green Street, Bensenville, Illinois 60106.

OTHER STOCKHOLDER PROPOSALS AND NOMINATIONS

Our bylaws prescribe the procedures that a stockholder must follow to nominate persons for election to the Board of Directors at an annual meeting or to bring other business before an annual meeting (other than matters that have been included in our proxy statement for such meeting). Any nomination or proposed business that is not made in accordance with these procedures will be disregarded. The following summary of these procedures is qualified by reference to our bylaws, a copy of which may be obtained, without charge, from Mardel A. Graffy, Secretary, Rubicon Technology, Inc., 900 East Green Street, Bensenville, Illinois 60106.

A stockholder who intends to nominate a director for election or bring other business before the 2019 Annual Meeting must deliver timely written notice thereof to Mardel A. Graffy, our Secretary, at the address shown above and must be a stockholder of record at the time notice is delivered and entitled to vote at the 2019 Annual Meeting. To be timely, the notice must be delivered to the Secretary not later than the close of business on March 11, 2019 and not earlier than the close of business on February 9, 2019 unless the date of the 2019 Annual Meeting is more than 30 days before or more than 60 days after May 10, 2019, in which case notice must be so delivered not earlier than the close of business on the 90th day prior to such annual meeting date 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.

Any such notice must contain the information specified in the bylaws regarding the stockholder giving the notice and, as applicable, each person whom the stockholder wishes to nominate for election as a director and the other business proposed to be brought before the 2019 Annual Meeting.

With respect to stockholder proposals not included in the Company's proxy statement for the 2019 Annual Meeting, the persons named in the Board of Directors' proxy for such meeting will be entitled to exercise the discretionary voting power conferred by such proxy under the circumstances specified in Rule 14a-4(c) under the Exchange Act, including with respect to proposals not received by the Company within a reasonable time before the mailing of the proxy statement for the 2019 Annual Meeting.

"HOUSEHOLDING" OF PROXY MATERIALS

We have delivered only one full copy of the proxy materials, to multiple stockholders who share an address, unless we received contrary instructions from the affected stockholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the notice or, if applicable, the proxy materials, as requested, to any stockholder at the shared address to which a single copy of these documents was delivered. Beneficial owners should contact their bank, broker, trustee or other nominee and stockholders of record should submit their requests to: Mardel A. Graffy, Secretary, Rubicon Technology, Inc., 900 East Green Street, Bensenville, Illinois 60106, Telephone: (847) 295-7000. If you are a stockholder residing at a shared address and would like to request an additional copy of the notice or, if applicable, the proxy materials, with respect to future mailings, or to request to receive only one copy of the notice or proxy materials if you are currently receiving multiple copies, please send your request to the Secretary at the address provided above.

COPIES OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017, AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, CAN BE OBTAINED WITHOUT CHARGE UPON WRITTEN REQUEST TO MARDEL A. GRAFFY, SECRETARY, RUBICON TECHNOLOGY, INC., 900 EAST GREEN STREET, BENSENVILLE, ILLINOIS 60106.

By Order of the Board of Directors,

/s/ **Mardel A. Graffy**
Mardel A. Graffy
Secretary
April [ ], 2018

Appendix A

Amendment to Certificate of Incorporation to Decrease Authorized Shares of Preferred Stock

FORM OF AMENDMENT TO NINTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

(Adopted in Accordance with the Provisions of Section 242

of the General Corporation Law of the State of Delaware (the "DGCL"))

Rubicon Technology, Inc., a corporation organized and existing under and by virtue of the laws of the State of Delaware (the "Corporation"), does hereby certify as follows:

1. The name of the Corporation is Rubicon Technology, Inc.

2. At a meeting of the Board of Directors of the Corporation (the "Board"), resolutions were duly adopted setting forth a proposed amendment (the "Amendment") of the Ninth Amended and Restated Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), declaring said amendment to be advisable and calling a meeting of the stockholders of the Corporation for consideration thereof. The Amendment is set forth in paragraph 3 below.

3. The Certificate of Incorporation be, and hereby is, amended by deleting Article 4, Capital Stock, in its entirety, and substituting in lieu thereof, a new Article 4 as follows:

ARTICLE 4

CAPITAL STOCK

The total number of shares of capital stock which the Corporation shall have the authority to issue is 9,200,000 shares which is divided into two classes as follows: 1,000,000 shares of Preferred Stock ("Preferred Stock") with a par value of $.001 per share, and 8,200,000 shares of Common Stock ("Common Stock") with a par value of $.001 per share.

4. Pursuant to a resolution of the Board, a meeting of the stockholders of the Corporation was duly called and held upon notice in accordance with Section 222 of the DGCL at which meeting the necessary number of shares as required by statute were voted in favor of the Amendment.

5. The Amendment was duly adopted in accordance with the provisions of Section 242 of the DGCL.

6. In accordance with Section 103(d) of the DGCL, the Amendment shall become effective on the date and at the time set forth below:

Effective date:

Effective time:

PRELIMINARY PROXY CARD – SUBJECT TO COMPLETION APRIL 3, 2018

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 P.M. ET on 05/09/2018. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

RUBICON TECHNOLOGY INC

900 EAST GREEN STREET

UNIT A

BENSENVILLE, IL 60106

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 P.M. ET on 05/09/2018. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: KEEP THIS PORTION FOR YOUR R

— —

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

DETACH AND RETURN THIS PORTION ONLY

	For All	Withhold All	For All Except
The Board of Directors recommends you vote FOR All the following:			To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

1. To elect as directors to serve for a three-year term;

Nominees

01 Timothy Brog 02 Michael Mikolajczyk

The Board of Directors recommends you vote FOR proposals 2, 3 and 4.	**For**	**Against**	**Abstain**
2 To approve an amendment to our Certificate of Incorporation to decrease our authorized number of shares of preferred stock from 5 million shares (5,000,000) to 1 million (1,000,000) shares;			
3 To ratify the selection of Marcum LLP our independent registered public accounting firm for the fiscal year ending December 31, 2018; and			
4 To approve, on a non-binding advisory basis, the compensation of our named executive officers (Say-on-Pay).			

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement and Form 10-K are available at www.proxyvote.com

RUBICON TECHNOLOGY, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF

DIRECTORS

The undersigned, revoking all prior proxies, hereby appoints Timothy E. Brog and Mardel A. Graffy, or either of them, as proxies, with full power of substitution, to vote the undersigned's shares of common stock of Rubicon Technology, Inc. at the annual meeting of stockholders to be held at 900 East Green Street Bensenville Illinois 60106, on May 10, 2018, at 8:30 a.m. local time, and at any adjournment, postponement or rescheduling thereof, on all matters coming before the annual meeting.

The proxies will vote your shares: (1) as you specify on the back of this proxy card, (2) as the Board of Directors recommends where you do not specify your voting instructions on Proposals 1, 2, 3 and 4.

Continued and to be signed on reverse side

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