

CONFLICT OF INTEREST POLICY

I. RATIONALE

The Code of Corporate Governance for Publicly Listed Companies (SEC Memorandum Circular No. 19, Series of 2017 mandates that a director shall conduct fair business transactions with the Corporation and to ensure that personal interest does not bias Board decisions.

Meanwhile, the Compensation Committee is tasked under the Company's Manual of Corporate Governance to strengthen provisions on conflict of interest.

II. POLICY

It is the policy of RFM Corporation ("RFM" or the "Company") that directors, officers and employees shall always put the interest of the Company above personal interests.

Except for salaries and other employment benefits, the directors, officers and employees shall not directly derive any personal profits or advantage by reason of their positions in the Company.

A. Disclosure

All directors, officers, and employees of the Company are required to disclose any interest in any transactions of the Company that may place them in a conflict of interest position. If an actual or potential conflict of interest should arise, it should be fully disclosed and the concerned director, officer, or employee should not participate in the decision-making process.

B. Accountability

Where a director, officer, or employee, acquires for himself or herself a business opportunity which should belong to the Company, thereby obtaining profits to the prejudice of the Company, the director, officer, or employee must account to the Company for all such profits, unless his/her act has been ratified by a vote of the stockholders representing two-thirds (2/3) of the outstanding capital stock of the Company.

When a director, officer, or employee attempts to acquire or acquires, in violation of his/her duty, any interest adverse to the Company in respect of any matter which has been reposed in him/her in confidence, as to which equity imposes a disability upon him/her to deal in his/her own behalf, he/she shall be liable as a trustee for the Company and must account for the profits which otherwise would have accrued to the Company.