INSIDER TRADING POLICY

I. POLICY ON INSIDER TRADING

RFM Corporation is adopting a policy on Insider Trading. Employees transacting (also referred to as the act of buying and selling) for their own account in Company securities, are advised to consult this Policy before transacting.

A. Policy

It is the policy of RFM Corporation ("RFM" or the "Company") that directors, officers and employees of the Company who are considered to have knowledge, from time to time, of material information, material facts, or changes in the affairs of the Company, which have not been disclosed to the public, including any material non-public information that are likely to affect the market price of RFM's securities, cannot pass along to others such material non-public information, and/or to buy or sell ("trade") RFM securities while in possession of such material non-public information, except in accordance with this policy.

B. Securities

Includes the Company's shares of stock, options to purchase stocks, and other evidences of indebtedness.

C. Covered Persons

For purposes of this Policy, an "Insider" is defined as follows:

1. All members of the Board of Directors;
2. All Key Officers of the Company who are or may be in possession of material non-public information about RFM because of their responsibilities. Key Officers of the Company include the Chairman, President, Vice-Presidents, Assistant Vice-Presidents, Heads of Groups, Divisions, and/or Departments, and Managers wherever they be assigned or seconded to the subsidiaries.
3. Consultants and Advisers of the Company;
4. All other RFM employees who are made aware of undisclosed material non-public information from time to time until such information has been publicly disclosed.
5. Members of the immediate families (i.e., spouses or relatives by affinity or consanguinity within the second degree, legitimate or common-law, which include grandparents, parents, siblings, children, and grandchildren) of Key Officers and Covered Persons who are living in the same household as the Key Officers and Covered Persons.

D. Material Information

Information is deemed to be "material non-public" if:

1. It has not been disclosed to the public and would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or

2. There is a reasonable likelihood that it would be considered important to an investor in making a decision regarding the purchase or sale of securities.

   While it is not possible to define all categories of material information, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material in nature. Such material information includes, but not limited to:

   - Financial results, projections and forecasts
   - Strategic, operational, or marketing plans
   - Projections of future earnings or losses
   - Purchase or sale of substantial assets
   - Extraordinary borrowings or liquidity problems
   - Major equity investments or debt offerings
   - Changes in the corporate structure such as a re-organization
   - Mergers/Acquisition/Divestitures/Joint Ventures or news of a proposal or pendency thereof
   - Dividend declarations and changes in dividend policy
   - Stock splits
   - Stock repurchase programs, tender offers, or issuances of new securities
   - New significant equity investments or debt offerings
   - Significant litigation exposure or government investigation
   - Major changes in key senior management positions
   - Public or private sale of company securities

   Either positive or negative information may be considered material.

II. RESTRICTIONS ON TRADING

A. Blackout Periods

Key Officers and Covered Persons are strictly prohibited from dealing or trading RFM securities **during the period within which a material non-public or price-sensitive information is obtained and up to two (2) full trading days after such information is disclosed.**

Office bulletins for special Blackout Periods pertaining to the above will be issued by the Compliance Officer or the Corporate Secretary.

B. Exception

The exercise of vested stock options (i.e., acquiring shares) may be done at any time, even during Blackout Periods. However, the liquidation, (i.e., the sale of shares acquired from options) is subject to Blackout Periods.

III. COMPLIANCE AND REPORTING POLICIES

A. Compliance Policy

(a) When in doubt, all Key Officers and Covered Persons should consult the Office of the Compliance Officer prior to transacting securities of the Company regardless of when they would like to perform such transactions in order to determine if the trade will or will not violate the Policy.

(b) Certain staff personnel may at certain times or from time to time possess material non-public information about potentially market-affecting activities. The staff should consult the Compliance Officer about any plan to trade on securities if they have knowledge or believe to have knowledge of such material non-public information to ensure compliance with this Policy.

B. Reporting Policy

All Key Officers and Covered Persons are required to report any purchase, sale, or change in their shareholdings within two (2) trading days through the submission of either SEC Form 23-A or 23-B to the Company's Corporate Secretary or Compliance Officer.

IV. CONSEQUENCES OF NON-COMPLIANCE

Violation of this Policy shall be subject to disciplinary action under the Company's Code of Conduct without prejudice to any civil or criminal proceedings which the Company or regulators may file for violation of existing laws.

Insider trading under the law may be subject to penalty for damages or fine and /or imprisonment.

Any profit realized by beneficial owners, directors, officers, or employees from any purchase or sale, of any equity security of the Company arising from such insider trading shall inure to and be recoverable by the Company.

In addition thereto, any administrative fine or penalty, including applicable surcharges and interests that may be charged by the regulators against the Company, shall be for the sole and exclusive account of the beneficial owners, directors, officers, or employees who may be administratively found liable for any such purchase or sale of any equity security of the Company arising from such insider trading.