



CODE OF ETHICS

for the

GUAM CHAMBER OF COMMERCE

Adopted by the Chamber Membership
on
February 24, 1988

PREAMBLE

The Guam Chamber of Commerce is, according to its By-Laws, organized to promote and protect the commercial, professional, financial, and general business interests, and the trade and commerce of the Territory of Guam. Any member may be expelled from the Chamber for "unbecoming conduct".

Upon adoption of this Code of Ethics, the Guam Chamber of Commerce proclaims and reaffirms its commitment to the highest ideals of the principled free enterprise in the American democratic tradition and in the context of America's outpost in the Pacific Rim. The aim and purpose of this Code is to serve as inspiration to each member to rise above minimum standards. While each Member must find within his own conscience his own measure of right and wrong, as a body the Chamber adopts this code to encourage and exhort its Members to the common good, within its purposes, and, when necessary, to judge that conduct which is unbecoming a Member of this Chamber.

INTRODUCTION

The Code is organized to provide ethical guidelines to Members, and to guide Members when they determine to sit in judgment of unbecoming conduct. The PRINCIPLES are the most general statements of this ethical canons of the Chamber. The ETHICAL COMMENTARY are aspirational in tone and substance, providing less general, more particular guidance into the intent, scope and goals of Principles. DISCIPLINARY CONSIDERATIONS are also commentary, and, while it is tempting to use current jargon and speak of “bottom-line” behavior, they are intended more as danger signals, alerting the transgressor and the Chamber to conduct which may be judged to be unbecoming that of a Chamber Member.

There are, necessarily and unavoidable, overlaps and counterbalancing considerations in the various Principles, Ethical Commentary and Disciplinary Considerations. Matters so complex as these cannot be laid out side by side, end to end, in some neatly organized and severable matrix. Rather, it is in the whole of the Code, as a tapestry, that the ethics of the Guam Chamber of Commerce are woven.

This Code is not intended to be static. It will take continued effort by the Chamber to forge it into a workable tool and keep it sharpened. The Principles may be supplemented. The Ethical Commentary and the Disciplinary Consideration ought to evolve, due to the dynamic nature of the Chamber and its community, and also due to a proper maturing brought about by Members. Therefore, Principles shall only be changed upon a vote of a majority of the Chamber Membership present at a meeting duly held therefore. The Board, subject always to a veto vote of the Membership, shall have the power to adopt, amend and repeal Ethical Commentary and Disciplinary Considerations.

I. PRINCIPLE: A MEMBER WILL CONDUCT ITS BUSINESS FAIRLY, HONESTY AND WITH INTEGRITY

A. ETHICAL COMMENTARY:

1. A Member should refrain from taking unfair advantage from positions of trust or conflicts of interest.
2. A Member should avoid taking unfair advantage of its customers, suppliers, competitors and employees.
3. A Member should be candid and truthful.
4. A Member should strive to establish and maintain its own standards of excellence.
5. A Member should give and expect to receive fair value.
6. A member should be responsible for paying timely for its obligations.

B. DISCIPLINARY CONSIDERATIONS:

1. It is unbecoming conduct for a Member to have committed a willful fraud upon a customer, supplier, competitor or employee, or to willfully engaged in false advertising.

II. PRINCIPLE: A MEMBER WILL CONDUCT ITS BUSINESS WITHOUT REGARD TO RACE, COLOR, NATIONALITY, RELIGION, AGE OR SEX

A. ETHICAL COMMENTARY:

1. A Member should respect the fundamental human dignities and rights of all people, without prejudice as to their various human characteristics.
2. A Member should appreciate the expression of values, culture and tradition by persons of different background and belief while promoting those common values, and traditions which best reflect the goals of the Chamber.
3. A Member should take pride in its own distinct heritage and be an ambassador for those aspects of its own culture which best reflect the ideals of the Chamber.

B. DISCIPLINARY CONSIDERATIONS:

1. It is unbecoming conduct for a Member to willfully discriminate, in the conduct of its business or membership activities, against any person on the basis of race, color, nationality, religion, age or sex.

III. PRINCIPLE: A MEMBER WILL PROMOTE AND PRESERVE THE FREE ENTERPRISE ECONOMIC SYSTEM.

A. ETHICAL COMMENTARY:

1. A Member should help to improve public appreciation and understanding of the free enterprise system.
2. A Member should engage in fair, free and open competition with its competitors.
3. A Member should encourage the privatization of those governmental activities, which could be served at least as well by private enterprise.
4. A Member should pursue its own economic self interest responsibly.
5. A Member should foster the development of a capable, productive and motivated workforce.

B. DISCIPLINARY CONSIDERATIONS:

1. It is unbecoming conduct for a Member to have plead or to have been tried and found guilty of criminal racketeering or extortion.
2. It is unbecoming conduct for a Member to be found liable for attempted monopoly or other attempted anti-trust action.
3. It is unbecoming conduct for a Member to have been found liable for willful interference with the contract of another or willful violation of the anti-trust laws for any willful unfair business practice.

IV. PRINCIPLE: A MEMBER WILL ACCEPT ITS RIGHTS AND OBLIGATIONS FOR CONDUCTING BUSINESS WITHIN A FRAMEWORK OF A DEMOCRATIC SYSTEM OF LAWS.

C. ETHICAL COMMENTARY:

1. A Member should conduct its business within the spirit as well as the letter of the law.
2. A Member should be a responsible part of the body politic to help select our government representatives and help shape the content of its laws and regulations.
3. A Member should try to be informed and promote public understanding of the economics of government policy and actions.

D. DISCIPLINARY CONSIDERATIONS:

1. It is unbecoming conduct for a Member to have plead or to have been tried and found guilty of a crime punishable by more that one year imprisonment and which involves moral turpitude.

V. PRINCIPLE: A MEMBER WILL ACT RESPONSIBLY TO PRESERVE AND ENHANCE THE RESOURCE AND ASSETS OF THE COMMUNITY.

A. ETHICAL COMMENTARY:

1. A Member should conduct its business according to the premise that the community's economic well being is essential to its own.
2. A Member should make efficient use and allocation of capital, labor and other resources and assets.
3. A Member should be mindful of the social value of the assets and resources it controls, not simply the market value.
4. A Member should be responsible for its affairs, yet not take unfair advantage of the negligence or inabilities of others.
5. A Member should conduct its business so as to enhance the quality of life of its proprietors, employees, and customers, as well as that of the public.
6. A Member should, within its means, contribute to the care and betterment of those unable to care for themselves.

B. DISCIPLINARY CONSIDERATIONS:

- a) It is unbecoming conduct for a Member to knowingly cause unlawful and significant damage to the environment.
- b) It is unbecoming conduct for a Member to misuse legal process or bring a suit against a competitor, employee or customer, a dominant reason for which is harassment or other motive incidental to the merits.

ENFORCEMENT GUIDELINES

PURPOSE AND NATURE OF ETHICS ENFORCEMENT

The Chamber's Code of Ethics is meant primarily to exhort its members to rise above minimum standards of behavior, based on the Principles espoused. While these Enforcement Guidelines do provide a means by which a Member's activities may be judged against the standards of the Code, it must always be borne in mind, foremost, that the Chamber is a voluntary association of certain individuals and organizations—and individuals within organizations—who have come together, to promote the general business interests of the Territory of Guam. Chamber membership is not a prerequisite to having a license to do business on Guam. There is no mark on the house of any merchant who is not a Member of the Chamber. There is scant good effect in having the Chamber alienate or disenfranchise its Members to the point where it is no longer an effective organization, simply to demonstrate fine points of principle.

The Chamber must therefore be pragmatic in the application of sanctions while being resolute in pursuing its ideals. If called upon to judge every small infraction, the Chamber would become bogged down in, and perhaps torn apart by, minor controversy. Should the Chamber turn a blind eye to a Member's egregious or outrageous misconduct, it will lose its self respect as well as the respect for the community. Thus, in living with the Code of Ethics, the Chamber should be tolerant of simple transgressions but not shirk its duty to maintain the integrity of the Chamber when necessary. The purpose of these Guidelines is to provide a means of judging only those breaches of ethical norms, which might fairly be found to be unbecoming conduct.

Much preferred to any sanction provided by these Enforcement Guidelines is the guidance and discipline that comes from each Member's striving toward the ideals set out in the Code. In the first instance and in the last analysis the most effective means of enforcing the Guam Chamber of Commerce Code of Ethics, given the nature, purposes and limitations of the organization, is the peer pressure of the Chamber Members, made the more forceful by the determined effort of each Member to set a good example.

DEFINITIONS: Except as the context clearly indicates a particular term of art, the words of the Code and these Guidelines are to be interpreted pursuant to their ordinary and everyday meanings, and in the context of the introductory comments to the Code. The masculine gender is meant to mean or include, as appropriate, the feminine or neuter, the singular to include the plural. "May" is permissive, "shall" is mandatory.

The term "Member" is meant to apply, in the first instance, to the person, natural or legal, registered as the Member in the Chamber membership role. Legal entities (including companies, partnerships, corporations and

associations), however, act only through natural persons, and it may sometime be pertinent to determine to what extent the acts of the natural persons might be attributable to a Member which is such a legal entity. Unfortunately, there are no definite statements that can be made for all such cases. In general, it is appropriate to seek guidance from general legal principles of agency and vicarious liability, and the legal principles derived from cases of corporate authority and liability. But in any event, in weighing the possibility, or degree of sanction, it would be appropriate to go beyond mere technical legalities, to use common sense and the Board's knowledge of the community, to determine whether or to what extent a legal entity Member may be tainted by the act of any particular natural person.

FACTORS IN IMPOSING SANCTIONS: Bearing in mind the purpose and nature of the enforcement power, in imposing any sanction after a finding of unbecoming conduct, the Board should consider all the facts and circumstances of the conduct, the overall and historical character of the Member, the internal effect on the Chamber, and the Chamber's stature in the community, in addition to any other matter the Board deems pertinent. Pertinent matter included:

- a) The standard violated
- b) The recurrence of the conduct
- c) The actual or potential injury to any person and any efforts made to undo or compensate the harm
- d) The existence of aggravating or mitigating factors
- e) Other criminal or civil or professional sanctions
- f) The cooperation or lack of same by the charged Member

FORMAL CHARGES: Formal charges of activities alleged to be unbecoming conduct may be brought, in good faith, only by a Member, upon conduct, which occurred, or upon a judgment of a court of law which has been rendered, not more than one year prior to the charge. A charge need not to be in any particular form, but must be in writing, signed and dated and specifically express that it is a formal charge brought under the Chamber's Code of Ethics. The charge shall be delivered to the President of the Chamber or to the Chair of the Board of the Board of Directors or of the Ethics Committee.

SCREENING: The Chair of the Ethics Committee shall review the formal charge and appoint an Ethics Committee member or other Chamber Member to screen the charge. The screening officer shall review the charge, make such investigations as deemed pertinent, and make recommendation to the Ethics Committee. The Committee shall review the charge and the recommendation of the screening officer. Before the Committee determines to proceed with the charge, it shall first offer the complaining Member and the charged Member reasonable time to appear and be heard and to present any

testimony, witness or evidence, which reasonably bears on the matter. The Committee may proceed with the charge if it by vote of a majority of its members, or by 2/3 vote if against the recommendation of the screening officer, determines that the charge constitutes unbecoming conduct, by referring the charge to the Chair of the Board of Directors, with its determination that the charge fairly supports a finding of unbecoming conduct.

BOARD HEARING: Upon receipt from the Ethics Committee of a determination that a formal charge fairly supports a finding of unbecoming conduct, the Chair of the Board shall set the matter for hearing at a special meeting of the Board. The Board meeting shall be informal and shall afford the charged Member fair notice and hearing, as with the screening review procedures. The Board shall strive at all times to maintain the fact and appearance of fairness, impartiality and diligence, and the chair may establish reasonable or expedient procedures or rules as from time to time necessary, subject to disapproval by the Executive Committee. Minutes of the meetings shall be kept. The Board shall review the record forwarded by the Ethics Committee and take such further evidence as bears on the charge including anything that may bear on any possible sanction. The charged Member may be represented by an advocate or other representative. Having heard the matter, the Board shall first determine, by vote of majority of all directors, whether the Board finds the charged Member to have engaged unbecoming conduct, and, second by vote of majority of the directors present, the sanction to be imposed and any matters related thereto. No director shall be disqualified from voting unless the director is the charging or charged Member or an employee, officer or owner of either, the disqualification of a director shall be taken into account in determining whether the requisite majority has been attained. The Board's decision is final.

IMMUNITIES AND PRIVILEGES: Chamber Members, staff and legal advisors shall have the privilege to charge, investigate and discuss the issue of another Member's possible unbecoming conduct, in accordance with the procedures set forth in these Enforcement Guidelines. Legal immunity from claims of defamation shall be granted by this privilege, but shall not apply to bringing a charge of unethical behavior, which is totally without basis in fact or is brought with reckless disregard for the truthfulness of matter alleged.

The standards of conduct promulgated by the Chamber's Code of Ethics shall not be used or considered as evidence of the legal or other standard of care or conduct of any Member in any action or proceeding outside of the internal affair of the Chamber.

PUBLICITY: It is not the policy of the Chamber to publicize ethical complaints or the investigation or determination thereof. The Board may determine to publicize any particular case or sanction it determines, in its good judgment and discretion, to be appropriate for the guidance of the Membership or the integrity of the Chamber.

ADVISORY OPINIONS: The Board has the authority but not the obligation to issue public or private advisory opinions, involving actual or hypothetical circumstances, on matters of Chamber ethics.

NEW APPLICANTS: The Board may, to the extent it deems appropriate, consider the ethical character or unbecoming conduct of any applicant for membership in the Guam Chamber of Commerce. Should the Board determine to reject an application due to ethical considerations, the applicant shall first be given notice and opportunity to be heard and considered regarding the subject matter prior to the Board's final determination. The Board's decision to reject an applicant due to ethical consideration shall be subject to the same standards as a decision to terminate a Member.

SANCTIONS: Disciplinary sanction(s) may be imposed by the Board of Directors of the Chamber upon any Member after a finding or acknowledgement that the Member has engaged in unbecoming conduct. The Board's decision is final and non-reviewable. The Board is authorized to impose the following sanctions:

1. Termination: The Board may terminate and expel a Member from the Chamber. This is the most severe form of sanction of a Member and should not be exercised except in the most egregious circumstances.
2. Suspension: The Board may suspend all or any privilege or right of membership, including voting rights, for such period as it determines. Suspension does not abate a Member's obligation to pay dues during the suspension unless expressly specified.
3. Public Reprimand: The Board may issue a public reprimand. A public reprimand may declare that the Member has been found to have engaged in certain conduct found to be unbecoming that of a Chamber member, and may include expressions of the Board's concerns or qualifications regarding the conduct or finding which the Board reasonably considers in the good interest of the Chamber. The Board may issue a public statement, in the good interest of the Chamber. The Board may issue a public statement, in the nature of a public reprimand, in connection with any termination or suspension.
4. Private Reprimand: The Board may issue a private reprimand to any Member, declaring certain conduct of the Member to have been found to be unbecoming. Without specifically disclosing the Member's name, the Board may publicize the facts and circumstances, which gave rise to the private reprimand.