

Anchor Capital's Disaster Recovery Plan

Anchor Capital has developed and adopted "The Anchor Companies Disaster Recovery Plan" which is designed to address a variety of possible scenarios which might temporarily interrupt our ability to perform normal business operations because of some event which either required extended absence from our offices at One Post Office Square or even permanent absence with required relocation. This plan addresses both events requiring evacuation from our offices as well as events which might result in damage to our building or the building's surroundings which would prevent access. While such a plan obviously cannot envision or address every possible scenario, we have attempted to develop a plan that would allow timely resumption of "normal" operations in the event of reasonably manageable scenarios.

We have entered into a long-term contract with an offsite company which operates remote facilities in suburban Boston. At that location we have a sophisticated computer network system, a number of computer terminal stations, extensive communications systems and other necessary facility requirements. Certain key associates have been issued Palm Pilots and Digital Cell Phones; all associates have been issued Disaster Recovery booklets which are updated frequently (web access to this information is also available). In the event of some sort of disaster, select designated associates would travel to the remote facility, and a current backup tape of our entire memory system would be delivered (we perform daily backup and the tape is taken offsite). The systems would be "restored", the backup tapes run and operations would be restored. At the same time we have made provisions for telephone service to be rerouted to this facility so that reasonably normal communication would be promptly restored. As an extra precaution we have used digital scanning technology to electronically store extensive amounts of necessary client related documents just in case we experienced damage to or loss of vital client records and files. We also believe that a number of the major custodial banks and brokerage firms (who hold our clients' actual assets) have developed extensive and reasonably sophisticated Disaster Recovery Programs similar to ours so that fairly normal operations could be resumed under many manageable scenarios. Obviously it is not possible to anticipate all possible scenarios which might interrupt our ability to function normally, and it is entirely possible or probable that certain events (like a severe hurricane or blizzard) could make it impossible to execute our Plan for some time.