



## **SOUTHGOBI SANDS LLC LOSS CONTROL POLICY STATEMENT**

Most important assets of the SouthGobi Sands LLC (SGS) are its employees. Injuries to its employees and/or damage to its physical assets threaten the reputation of the Company and its financial success. SGS is therefore committed to a target of zero incidents in all of its activities by implementing industry best practice and demonstrating leadership in loss control.

We will utilize appropriate recognized management systems, including documentation of all relevant loss control matters and compliance auditing from SGS and other third parties, if necessary, to support the concept of continued improvement. We will also provide effective training and appropriate and sufficient resources for people to work safely and effectively.

All SGS employees and contractors must accept as their shared responsibility that zero harm and loss is a priority when performing all activities associated with SGS. To achieve our target it is essential that SGS employees and contractors believe that all loss is preventable and accept responsibility for their personal safety and the safety of others and to protect the integrity of SGS's physical assets at all times.

SGS commits:

- to plan for safe, efficient and productive work
- to ensure that all employees and contractors are made aware of their responsibilities towards loss control
- to assess and control the risk of loss as part of every decision it makes
- to comply with relevant legislation and internal loss control policies and procedures
- that all SGS and contractor Managers will demonstrate and promote safety leadership
- that SGS employees and contractors will participate in managing health and safety related issues
- that final contractor selection will include an acceptable review of their Health and Safety programs and a commitment to meeting SGS loss control standards
- that all reported incidents will be investigated with a view to preventing recurrence

All SouthGobi Sands employees and contractors are required to understand and act in accordance with this policy.

David Bartel  
President and Executive Director  
SouthGobi Sands LLC