



OJSC POLYUS GOLD BOARD OF DIRECTORS REPORT
with a presentation of the Board's motivated stand with regard to the agenda issue of OJSC
Polyus Gold extraordinary General Meeting of Shareholders scheduled for
24 August 2010

On the interim dividend on the Company's shares upon results of 1st half of 2010.

Recommendation:

The OJSC Polyus Gold Board of Directors recommends to declare the dividend on the outcome of activities of OJSC Polyus Gold in the 1st half of 2010 in the amount of 8.52 rubles per 1 common share of stock of OJSC Polyus Gold, to set out that the dividends shall be paid within the period of 60 days of the date of the resolution and to define the following ways of payment of the dividends: by postal orders and by bank transfers.

Stance of the Board of Directors

As per the Regulations on Dividend Policy approved by the OJSC Polyus Gold Board of Directors, the Company strives to have the dividends paid in the amount of up to 25% of the net profit calculated in accordance with the international financial reporting standards (IFRS).

In coming up with recommendations on the size of the dividends, the Board of Directors takes due account of all of the needs of financing the Company's production and investment activities, of the debt management and of the requirements of the tax laws of the Russian Federation, and also of the amount of the OJSC Polyus Gold net profit as per the RSABR.

Given the fact that OJSC Polyus Gold is not encumbered as of now by any significant debt obligations, the Board of Directors holds it feasible to allocate the net profit (RSABR) of OJSC Polyus Gold following the results of the 1st half of 2010 for payment of dividends.