



Vossloh AG

Werdohl, Germany

German SIN: 766710

ISIN: DE 000 766 710 7

We hereby invite our stockholders to attend the **annual general meeting** to be held on May 19, 2010, at 10:00 AM, in Düsseldorf, Congress Center Ost (CCD), Stockumer Kirchstrasse 61, Germany.

Agenda

(1) Presentation of the adopted separate financial statements, the approved consolidated financial statements, the management report on Vossloh AG and the Group, the Executive Board's statutory takeover-related disclosures under the terms of Arts. 289(4) and 315(4) German Commercial Code ("HGB"), and the Supervisory Board report for fiscal 2009

On March 24, 2010, the Supervisory Board approved the separate and consolidated financial statements as prepared by the Executive Board, thus adopting the separate financial statements. Therefore, Agenda Item (1) need not be voted on. The above documents are all available for inspection on the premises of the registered office of Vossloh AG at Vosslohstr. 4 in 58791 Werdohl, as well as published on the Company's website at www.hauptversammlung.vossloh.com. On request, free copies will promptly be mailed to any stockholder.

(2) Appropriation of net earnings

The Executive and Supervisory Boards propose to appropriate the net earnings shown for fiscal 2009 at €33,597,517.20 as follows:

Distribution of a cash dividend of €2.00 per eligible no-par share	€26,639,280.00
Carryover to new account	€6,958,237.20
Net earnings	€33,597,517.20

Pursuant to Art. 71b German Stock Corporation Act ("AktG"), Company-owned treasury shares are not eligible for dividend. If the number of treasury shares held by the Company when the annual general meeting votes on the appropriation of net earnings increases or decreases, an accordingly updated proposal will be submitted to the AGM for voting, while the proposed cash dividend of €2.00 per eligible no-par share will remain unchanged.

(3) Vote on the official approval of the Executive Board's acts and omissions

The Executive and Supervisory Boards propose that such approval be granted to the Executive Board members acting in 2009.

(4) Vote on the official approval of the Supervisory Board's acts and omissions

The Executive and Supervisory Boards propose that such approval be granted to the Supervisory Board members acting in 2009.

(5) Election of statutory auditor for fiscal 2010 and for the review of the condensed interim financial statements and the interim management report

The Supervisory Board proposes that

- (a) BDO Deutsche Warentreuhand AG, Wirtschaftsprüfungsgesellschaft, Essen branch, be elected statutory auditor of Vossloh AG and the Group for fiscal 2010;
- (b) BDO Deutsche Warentreuhand AG, Wirtschaftsprüfungsgesellschaft, Essen branch, be elected statutory auditor for a review of the condensed interim financial statements and the interim management report of Vossloh AG and the Group for the six months ending June 30, 2010 (H1/2010).

(6) Executive Board compensation system

After the enactment of the German legislative regulations for the reasonableness of executive board compensation (so-called VorstAG, of July 31, 2009) and the remuneration-related provisions of the German Corporate Governance Code (GCGC), Vossloh AG's Supervisory and Executive Boards have dealt with the review of the remuneration of their members and discussed approaches to new compensation systems, including by involving an independent outside compensation expert. The review and revision of the current systems are still in progress.

Therefore, the option that the AGM vote on the approval of the executive board compensation system, as offered by the VorstAG regulations, which are reflected in accordingly amended provisions of the Stock Corporation Act, cannot yet be exercised. Given the still pending revision of the board compensation system, the Executive and Supervisory Boards do not deem a vote on the current system to be expedient. Nevertheless, this Agenda Item (6) shall offer stockholders the opportunity to voice their opinion on the present Executive Board compensation system, which has been described in detail in the Board Compensation Report (an integral part of the combined management report).

(7) Authorization to acquire and use treasury stock, as well as to exclude subscription and tender rights

Provided and to the extent that the law expressly allows otherwise, the repurchase by the Company of any treasury stock requires to be authorized by the general meeting. The current authority conferred by the annual general meeting of May 20, 2009, to acquire shares of treasury stock will expire November 19, 2010. Given that this authority will expire prior to the succeeding annual general meeting, it is proposed to this AGM that the current authority be withdrawn and the Company be newly authorized to repurchase treasury stock. According to the German Act for the Implementation of the Stockholder Rights Directive ("ARUG") of July 30, 2009, the general meeting may now confer this authority for a period of five years.

Therefore, the Executive and Supervisory Boards propose that the following resolution be passed:

- (a) Pursuant to Art. 71(1) No. 8 AktG, the Company is authorized to acquire treasury stock equivalent to an aggregate maximum of ten percent of Vossloh AG's capital stock. The treasury stock repurchased plus any treasury shares already held by the Company or assignable to the Company pursuant to Arts. 71a et seq. AktG may at no point in time exceed the aforesaid 10-percent capital stock ceiling. The authority to acquire treasury stock shall not be exercisable for the purpose of trading in such treasury shares.
- (b) The authority may be exercised by the Company, any of its wholly owned subsidiaries or by a third party acting for the account of the Company or its wholly owned subsidiaries, either wholly or in part, once or several times, for one, various or different purposes. The authority shall expire after the close of May 18, 2015, and supersede the present authority (granted by the AGM on May 20, 2009) to acquire treasury stock as and when the new authority takes effect, however, without prejudice to any previously authorized uses of treasury stock already held by the Company.
- (c) At the Executive Board's discretion, treasury stock may be acquired (1) through a stock market or (2) by public repurchase offer or public invitation to bid.
- (1) If shares are acquired through a stock market, the price paid by the Company for each Vossloh share (excluding purchase incidentals) may neither be more than ten percent above or below the Vossloh stock price as quoted at the trading day's opening auction of the Xetra trade (or any successor system in lieu of and replacing the Xetra system) at the Frankfurt Stock Exchange.
- (2) In the event that the stock is acquired by public repurchase offer or public invitation to bid, the purchase price offered or the limits of the purchase price spread per share (excluding purchase incidentals) shall not be more than ten percent above or below the average closing prices as quoted by the Xetra system (or any successor system in lieu of and replacing the Xetra system) on the three trading days preceding publication of either the repurchase offer or the public invitation to bid. In the event that, subsequent to the publication of either the repurchase offer or the public invitation to bid, the governing share price differs considerably, the repurchase offer or invitation to bid may be adjusted accordingly on the basis of the average closing prices as quoted by the Xetra system (or any successor system in lieu of and replacing the Xetra system) on the three trading days prior to publication of any such stock price adjustment. The repurchase offer or invitation to bid may include further stipulations. If the shares offered exceed the number required (in the case of a repurchase offer),
- or if not all bids out of several equivalent ones are accepted (in the case of an invitation to bid), offer or bid acceptance shall be prorated (i.e., based on proportionate allocation). The purchase terms may provide for the preferential acceptance of small lots of 100 shares or less per stockholder, and to that extent, the tender rights of stockholders may be excluded pro rata.
- (d) The Executive Board is authorized, after first obtaining Supervisory Board approval, to use treasury shares (whether repurchased hereunder or under a previous authority) for any lawful purposes, including (without being limited to) any of the following:
- (1) The repurchased treasury stock may also be disposed of in a form other than through a stock market or by offering them to all Vossloh stockholders, however, provided that the previously acquired shares of treasury stock are sold at a price that is not significantly below the stock market price then current for same-class Vossloh stock.
- This authority is confined to shares equivalent to an aggregate maximum of ten percent of such capital stock as exists at the effective date, or at the date of exercise, of this authority, whichever is lower. Any such shares are counted toward this ceiling as are issued or disposed of ex rights (i.e., without granting a subscription right to stockholders) during the validity period of this authority by applying the provisions of Art. 186(3) clause 4 AktG directly or *mutatis mutandis*.
- (2) The repurchased treasury stock may also be disposed of in return for contributions in kind, including (without limitation) in connection with business combinations or when acquiring other enterprises, equity interests therein, or other assets.
- (3) The treasury stock may be used to settle obligations under convertible and/or warrant bonds issued by the Company and/or any of its wholly owned subsidiaries.
- (4) The treasury stock may be redeemed and effectively withdrawn without requiring another vote by the general meeting. Treasury shares may also be redeemed in a simplified procedure without capital decrease, by redenominating the notional interest of the remaining no-par shares in the Company's capital stock. If the simplified procedure is used for stock redemption, the Executive Board is authorized to restate the number of no-par shares in the Company's articles or bylaws.
- (e) Any authority set out in (d) above may be exercised once or several times, wholly or in part, separately or in

combination, an authority under the terms of (d)(1), (d)(2) or (d)(3) above being also exercisable through a wholly owned subsidiary, or for the latter's account, or by a third party acting for the Company's account.

(f) The right of stockholders to repurchase treasury shares is excluded to the extent that such shares are used as authorized under the terms of (d)(1) through (d)(3) above.

(8) Authorization of convertible and warrant bond issues, issuance of participating certificates and/or income bonds with the option of subscription right exclusion, creation of contingent capital, as well as related bylaw amendments

With a view to widening Vossloh AG's latitude in raising low-interest debt, it is proposed to the general meeting that the issuance of convertible bonds, warrant bonds, participating certificates and/or income bonds (or any combination thereof) be authorized. Since the issuance of new stock must be authorized in advance as contingent capital in order to duly grant Vossloh shares upon exercise of conversion rights under convertible/warrant bonds, such unissued capital requires to be authorized by the AGM.

Therefore, the Executive and Supervisory Boards propose that the following resolutions be passed by the general meeting:

(a) Authorization of convertible and warrant bond issues, issuance of participating rights and/or income bonds with the option of subscription right exclusion

(1) Authorization period, principal, maturity, number of shares

The Executive Board is hereby authorized to issue, after first obtaining the Supervisory Board's consent, on or before May 18, 2015, convertible bonds, warrant bonds, participating rights and/or income bonds (or any combination thereof), perpetual or dated, for an aggregate total €150 million at par through one or several issues and to grant the bondholders or creditors conversion rights or equity warrants to obtain no-par bearer shares of the Company's stock equivalent to a proportionate interest in the capital stock of €3,782,500 subject to the detailed bond terms.

The bonds may be issued in euros or, for the euro equivalent, another legal tender, such as the currency of an OECD country. Bonds may also be floated by a subsidiary directly or indirectly wholly owned by the Company, in which case the Executive Board is authorized (subject to the Supervisory Board's approval) to guarantee the bond issue and to grant bondholders conversion rights or equity warrants for their exchange into, or obligation to

purchase, no-par bearer shares of the Company's stock. Each bond issue may be subdivided into bonds ranking *pari passu inter se*.

(2) Conversion right and equity warrant

If warrant bonds are issued, each bond comes with one or several warrants entitling its or their holder, subject to terms stipulated by the Executive Board, to purchase no-par bearer shares of the Company's stock. The equity warrants may also require that the warrant price be paid by transferring bonds with or without an additional cash payment. The proportionate interest in the capital stock of the no-par bearer shares of Vossloh stock purchased in exchange shall not exceed the bond principal. The bond terms may stipulate that any resultant fractional shares be compensated for in cash or added up against additional payment to acquire full shares. The same rules shall apply *mutatis mutandis* if warrants are attached to a participating right or income bond.

If convertible bonds are issued, their holders are granted the irrevocable right, subject to the convertible-bond issuance terms fixed by the Executive Board, to convert their bonds into no-par bearer shares of Vossloh stock. The conversion ratio equals the quotient from dividing the principal (or the issue amount below par) of a bond by the conversion price fixed for acquiring one no-par bearer share of Vossloh stock. This ratio (quotient) is rounded to the fourth decimal. An additional cash payment required for conversion may be stipulated. Moreover, the terms may provide that nonconvertible fractions be added up and/or compensated for in cash. If the bond principal and conversion price are denominated in different currencies, the latest available reference rate of the European Central Bank (ECB) as of the date at which the final bond issue amount is fixed shall be used for translation. The proportionate interest in the capital stock of the no-par bearer shares of Vossloh stock obtained by bond conversion shall not exceed the bond principal. The convertible-bond terms may provide that bondholders are obligated to convert their bonds at maturity (or any earlier date). In this case, the bond issuance terms may authorize the Company to offset by cash compensation any differential (whether fully or in part) between the convertible bond's principal and the product of conversion price times conversion ratio. In this context, the provisions of Arts. 9(1) in conjunction with 199(2) AktG shall be complied with. The foregoing rules shall apply *mutatis mutandis* if the conversion right or obligation refers to a participating right or income bond.

The issuance terms of bonds that grant or include a conversion right or obligation and/or an option may

provide that, upon conversion or option exercise, (i) already existing Vossloh shares, or shares issued by utilizing authorized capital, be granted in lieu of new shares issued by utilizing conditional capital, or (ii) the Company grant to conversion right or option holders, in lieu of no-par bearer shares of Vossloh stock, an amount of cash which corresponds to the equivalent of such deliverable shares at the volume-weighted average price of Vossloh stock as quoted by the Xetra system (or any comparable successor system) at the Frankfurt/Main Stock Exchange on the ten trading days after conversion right or option exercise has been declared. In the event that the Company publicly announces that it elects to exercise its right to cash payment in lieu of stock issuance upon conversion right or option exercise, the ten trading days shall not be counted before three trading days have elapsed after said public announcement.

(3) Conversion and option price, antidilution rules

In the event that bonds are issued that grant or include a conversion right or obligation and/or an option, the conversion or option price shall—even where the antidilution rules set out hereinbelow are applied and strictly without prejudice to the provisions of Art. 9(1) AktG—amount to not less than 80 percent of the volume-weighted average price of Vossloh stock as quoted by the Xetra system (or any comparable successor system) at the Frankfurt/Main Stock Exchange on the ten trading days prior to the Executive Board's final decision on (i) submitting an offering or bid to subscribe for bonds or (ii) stating that the Company, following a public invitation to bid for subscriptions, will accept any such bid made by the stockholders. If subscription rights or warrants are traded separately, the closing prices quoted by such trade shall apply, except for the last two subscription right/warrant trading days.

If during the life of a bond the economic value of existing conversion rights and/or options is diluted and no subscription rights are granted as antidilutive compensation, the conversion rights or options may—notwithstanding the provisions of Art. 9(1) AktG and subject to the detailed bond issuance terms—be revalorized accordingly unless the adjustment of their value is in any event imperative and required by overriding provisions of the law.

In such an event, the proportionate interest in the capital stock of the no-par bearer shares of Vossloh stock purchased or converted for each bond shall not exceed the principal of one bond.

(4) Subscription rights and their exclusion

Vossloh stockholders have a general right to subscribe for Vossloh bonds. Bonds may also be underwritten by one or several banks (or comparable institutions) on condition that they be offered to the stockholders for subscription. If bonds are issued by a subsidiary directly or indirectly wholly owned by Vossloh AG, the latter shall ensure that the statutory subscription rights be granted as stated in the preceding sentence.

However, the Executive Board is authorized, after first obtaining the Supervisory Board's approval, to exclude the stockholders' statutory bond subscription rights to the extent that (i) fractions are entailed by the subscription ratio and (ii) such exclusion is required to grant to (a) holders of previously issued conversion rights, options and/or warrants that entitle their holders to subscribe for no-par bearer shares of Vossloh stock and/or (b) creditors of previously issued convertible bonds that come with conversion obligations, the right to subscribe for such bonds to the extent which they would be entitled to as stockholders upon exercise of their conversion rights and/or options or upon satisfaction of their conversion obligations.

To the extent that convertible and/or warrant bonds will be issued that entitle or obligate their holders to accept a cash compensation, the Executive Board is authorized, subject to the Supervisory Board's approval, to exclude the stockholders' statutory bond subscription right by applying the provisions of Art. 186(3) clause 4 AktG *mutatis mutandis* if the issue price is not significantly below the notional market value determined according to generally accepted financial pricing methods for convertible and/or warrant bonds or bonds with conversion obligations. If, by applying the provisions of Art. 186(3) clause 4 AktG *mutatis mutandis*, convertible and/or warrant bonds or bonds with conversion obligations are issued ex rights, the Executive Board will only be authorized to exclude subscription rights provided and to the extent that the shares issued or issuable to service convertible and/or warrant bonds or satisfy conversion obligations do not exceed an aggregate 10 percent of the capital stock either when this authorization takes effect or when it is exercised, whichever is lower. The number of Vossloh shares shall be counted toward this ceiling that during the validity period of this authority were issued or sold by the Company ex rights in direct or indirect application of the provisions of Art. 186(3) clause 4 AktG. Shares issuable or issued to service convertible and/or warrant bonds shall also be counted toward the 10-percent capital stock ceiling, provided that such bonds were issued during the validity period of this authority and the stockholders'

subscription right was excluded in accordance with Art. 186(3) clause 4 AktG.

To the extent that participating rights or income bonds without conversion right, option or conversion obligation are issued, the Executive Board is authorized, after obtaining due Supervisory Board approval, to generally exclude the statutory subscription rights of stockholders if such participating rights or income bonds (i) are essentially debt instruments that do not grant their holders any equity rights or interests in net assets upon liquidation and (ii) return a yield that is not based or contingent on net income, net earnings or dividend payout or is in any other way profit-related. In such cases, the return and issue amount of the participating rights or income bonds shall furthermore conform to the current market conditions when issued or floated.

(5) Other bond term details

The Executive Board is authorized, in due compliance with the principles laid down in this authorization, to stipulate all further details of issuance and floating as well as all bond terms, where appropriate, after obtaining approval from the corporate bodies of those directly or indirectly wholly owned Vossloh subsidiaries which issue the bonds. Such details include (without being limited to) the interest rate, type of interest or return, issue amount, maturity, denomination, conversion or option period, conversion/option pricing formula based on the parameters herein fixed, specification of additional cash payments, compensation for or accumulation of fractions, cash payment in lieu of delivery of no-par bearer shares, delivery of no-par bearer shares already outstanding in lieu of newly issued stock, revalorization or other adjustment in the case of dilution and/or extraordinary events, etc.

(b) Authorization of new conditional capital

Vossloh's capital shall be conditionally raised by an aggregate €3,782,500.00 by issuing up to 1,479,585 no-par bearer shares of common stock in order to grant new no-par bearer shares to the holders or creditors of such convertible bonds, warrant bonds, participating rights and/or income bonds (or any combination of such instruments) as are issued or floated by Vossloh AG or any of its directly or indirectly wholly owned subsidiaries by dint of the authority conferred by the AGM of May 19, 2010, according to Agenda Item 8. The new no-par bearer shares will be issued at a conversion or option price to be determined in accordance with the aforesaid AGM resolution. The conditional capital increase shall be implemented only to the extent that (i) conversion rights or equity warrant options are exercised, (ii) the bondholders, warrant owners or creditors subject to a conversion obligation

actually meet their conversion obligations, (iii) no cash compensation is paid in lieu, or (iv) treasury shares or new shares issued by utilizing authorized capital are used. The newly issued no-par bearer shares will rank for dividend as from the fiscal year in which they are created by conversion or option exercise or by fulfillment of conversion obligations. The Executive Board will be authorized to specify all further details of the conditional capital increase and its implementation.

(c) Amendment of the bylaws

A new paragraph (6) shall be added to Art. 4 of the Company's bylaws, thus renumbering the succeeding paragraphs (now 6 and 7) into Art. 4(7) and 4(8):

"The Company's capital shall be conditionally raised by an aggregate €3,782,500.00 by issuing up to 1,479,585 no-par bearer shares of stock in order to grant new no-par bearer shares to the holders or creditors of such convertible bonds, warrant bonds, participating rights and/or income bonds (or any combination of such instruments) as are issued or floated by Vossloh AG or any of its directly or indirectly wholly owned subsidiaries by dint of the authority conferred by the AGM of May 19, 2010, according to Agenda Item 8. The new no-par bearer shares will be issued at a conversion or option price to be determined in accordance with the aforesaid AGM resolution. The conditional capital increase shall be implemented only to the extent that (i) conversion rights or equity warrant options are exercised, (ii) the bondholders, warrant owners or creditors subject to a conversion obligation actually meet their conversion obligations, (iii) no cash compensation is paid in lieu, or (iv) treasury shares or new shares issued by utilizing authorized capital are used. The newly issued no-par bearer shares rank for dividend as from the fiscal year in which they are created by conversion or option exercise or by fulfillment of conversion obligations. The Executive Board is authorized to specify all further details of the conditional capital increase and its implementation."

(9) Amendment of the bylaws to reflect the new ARUG rules

The provisions of ARUG, the German Act for the Implementation of the Stockholder Rights Directive of July 30, 2009, have reformed the AGM convocation rules, thus requiring an updating amendment of the bylaws to reflect the new legislation. Furthermore, the right of an AGM's chairperson to reasonably limit the time for stockholders to ask questions and speak at the meeting shall now be laid down in the bylaws.

Therefore, the Executive and Supervisory Boards propose that the following resolutions be adopted:

(a) Art. 18(4) of the bylaws shall be rephrased as follows:

- (4) The invitation to the general meeting shall be sent out 36 days or more prior to the meeting date, the days of dispatch and meeting not being counted toward this period.

(b) Art. 19 of the bylaws shall be restated as follows:

- (1) Only such stockholders will be entitled to participate in, and vote at, the annual general meeting as have registered with, and submitted proof of their entitlement to, the Company. Registration form and proof of entitlement shall be received by the Company at the address specified in the invitation, not less than six days prior to the AGM date (the day of receipt not being counted).
- (2) As proof of entitlement pursuant to (1) above, a statement certifying stock ownership and issued by the depositary in text format as German or English document pursuant to Art. 126b German Civil Code ("BGB") will suffice. The proof of stock ownership shall refer to the beginning of the 21st day prior to the AGM.
- (3) Voting rights may also be exercised by a proxy. Outside the scope of Art. 135 AktG (voting by banks, stockholder associations, or equivalent persons), the power of attorney, its revocation or withdrawal and proof of stock ownership to the Company require text format according to Art. 126b BGB. In its invitation to the general meeting, the Company will offer a digital means of transmitting the proof of stock ownership. If a stockholder appoints more than one voting proxy, the Company may reject one or several of these.

(c) Art. 20 of the bylaws shall be restated as follows:

- (1) The general meeting shall be chaired by the Supervisory Board Chairman; if prevented, by the Vice-Chairman or another member appointed by the Supervisory Board. If none of these can or will chair the general meeting, the meeting's chairperson shall be elected by the AGM under the supervision of the oldest stockholder present.
- (2) The chairperson presides over the general meeting and determines the order of business on the agenda to be transacted, the type and order of polls, and how voting results are determined. When giving speakers the floor, the chairperson is not bound by the chronology of requests to speak. The chairperson may reasonably limit the time for stockholders to ask questions and speak at the meeting.

(10) Direct-control and profit & loss transfer agreement between Vossloh Rail Services GmbH and Vossloh AG

Vossloh AG as controlling tax group parent and Vossloh Rail Services GmbH (registered at the Iserlohn Local Court under C/R no. HRB 6869) as controlled subsidiary have executed a direct-control and P&L transfer agreement (the "Subordination Agreement"). Vossloh AG owns all of the shares in Vossloh Rail Services GmbH.

The Executive and Supervisory Boards propose that the AGM approve the execution of the Subordination Agreement.

The Subordination Agreement reads as follows:

"Art. 1 Management and Direction of Vossloh Rail Services GmbH

- (1) Notwithstanding the fact that it is a legal entity in its own right, Vossloh Rail Services GmbH has since its formation been integrated with Vossloh AG at the financial, economic and organizational levels. Vossloh Rail Services GmbH defers to Vossloh AG's authority and direction and will conduct its business solely as lawfully and legitimately instructed by Vossloh AG, however, without prejudice to the personal liability and responsibility of Vossloh Rail Services GmbH's Management Board members in matters relating to compliance with legal requirements.
- (2) In any other respect, management, conduct of business and representation of Vossloh Rail Services GmbH remain the responsibility of Vossloh Rail Services GmbH's Management Board.
- (3) Vossloh AG is not entitled to instruct Vossloh Rail Services GmbH's Management Board to amend, continue or terminate this Agreement.

Art. 2 Profit Transfer

- (1) Vossloh Rail Services GmbH agrees to transfer its entire profit, determined in accordance with the applicable provisions of the German Commercial Code ("HGB"), to Vossloh AG. The determination of transferable profits shall be governed by the provisions of (i) Art. 301 German Stock Corporation Act ("AktG"), as amended, or (ii) any statutory regulations superseding Art. 301 AktG.
- (2) Subject to Vossloh AG's approval and to the extent that applicable law permits so and sound judgment justifies so for business reasons, Vossloh Rail Services GmbH may transfer part of the net income earned during the life hereof to the reserves retained from earnings, as defined in Art. 272(3) HGB. Any reserves retained from earnings during the life of the Agreement shall be released if and when so required by Vossloh AG and either transferred as profit or applied to offset any net loss for a year.

- (3) No amount from pre-Agreement profit carryforwards or from reserves that have been retained from earnings at or prior to the date hereof shall be transferred as profit or appropriated to offset any net loss for a year, nor shall any amount be transferred as profit from the additional paid-in capital.
- (4) Amounts which have been transferred from reserves retained from earnings prior to the date specified in (2) above may be distributed, as may any amount which has been transferred from the additional paid-in capital.
- (5) The profit shall be accounted for transfer as of the value date at which Vossloh Rail Services GmbH also closes its annual accounts. The payment obligation from this profit transfer account arises as and when the underlying financial statements have been adopted.

Art. 3 Loss absorption

- (1) Pursuant to Art. 302 AktG, Vossloh AG is obligated to absorb any such additional net loss incurred by Vossloh Rail Services GmbH during the life of the Agreement as has not been or could not be offset by the retransfer according to Art. 2(2) hereof from reserves which had been retained from earnings while the Agreement has been in force and effect.
- (2) The claim to loss transfer will be due at the close of Vossloh Rail Services GmbH's annual closing date and carry annual interest as from such date at 5 percent.
- (3) In addition, the provisions of (i) Art. 302 AktG, as amended, or (ii) any statutory regulations superseding Art. 302 AktG, shall fully apply, including to the statutory limitation of claims for loss absorption.

Art. 4 Right to Information and Inspection

- (1) Vossloh AG is entitled anytime to inspect Vossloh Rail Services GmbH's books and business records. In addition, Vossloh Rail Services GmbH's Management Board is obligated to provide Vossloh AG with information about legal, business and administrative matters and transactions, etc.
- (2) Notwithstanding Vossloh AG's rights as stated above, Vossloh Rail Services GmbH shall report at least once monthly on its business trends, with particular emphasis on material transactions.

Art. 5 Term and Termination

- (1) The Agreement is made for an indefinite period of time. In the event that, during the life of the Agreement, (i) Vossloh Rail Services GmbH's fiscal year covers less than twelve calendar months or (ii) the tax office does not recognize the existence of a tax group for one year since the beginning of this year, the minimum term hereof extends for further (short) fiscal years until the minimum term of five full successive years has been covered.

- (2) The Agreement is noncancelable for an initial term of five full years, i.e., from its entry into the Commercial Register up to December 31, 2010, and hence up to December 31, 2014. Thereafter, either party hereto may give 6 months' written notice as of the end of a fiscal year of Vossloh Rail Services GmbH.

- (3) The aforesaid shall apply without prejudice to the right to terminate the Agreement for good cause, in analogous application of Art. 297(1) AktG. For the purposes hereof, good cause shall include (without being limited to) (i) an impending merger or split-up of Vossloh Rail Services GmbH into a legal form that cannot be a controlled subsidiary within a tax group, or (ii) the loss by Vossloh AG of the (directly or indirectly held) majority of the voting rights in Vossloh Rail Services GmbH.

- (4) Notice of termination shall strictly be given in writing.

Art. 6 Effective Date

The Agreement shall take force and effect when entered into the Commercial Register of Vossloh Rail Services GmbH.

Art. 7 Collateral Security

Upon the termination hereof, Vossloh AG shall on demand furnish any creditors of Vossloh Rail Services GmbH with collateral by applying the provisions of Art. 303 AktG *mutatis mutandis*.

Art. 8 Application of Stock Corporation Law

Unless the Agreement lawfully and legitimately provides otherwise, the provisions of Arts. 291–301 AktG (as amended) shall apply *mutatis mutandis*.

Art. 9 Severability

The present or future ineffectiveness or unenforceability of any provision hereof shall not affect the remaining Agreement.

Art. 10 Place of Jurisdiction

Place of jurisdiction shall be Düsseldorf, Germany."

The general meeting of Vossloh Rail Services GmbH has consented to the Subordination Agreement in notarized form. For lack of any minority shareholders, Vossloh AG is neither obligated to make any compensatory payments under the terms of Art. 304 AktG nor grant any indemnity pursuant to Art. 305 AktG. For the same reason, no independent formal review of the Subordination Agreement is required either, as set out in Art. 293b AktG.

The Subordination Agreement, the annual financial statements and, where required by the law, management reports of the contracting parties for the preceding three fiscal years, as well as the report according to Art. 293a AktG jointly prepared by Vossloh AG's Executive Board and

Vossloh Rail Services GmbH's Management Board on the Agreement will all be publicly available to stockholders as from the date of this invitation, in the offices of both Vossloh AG and Vossloh Rail Services GmbH (both located at Vosslohstr. 4 in 58791 Werdohl, Germany). Moreover, these documents will be available for inspection at the AGM. On request any stockholder may immediately obtain a free copy of such documents which are also downloadable from the Company's website at www.hauptversammlung.vossloh.com

(11) Amendment of the direct-control and profit & loss transfer agreement with Vossloh Locomotives GmbH

Vossloh AG as controlling tax group parent and its wholly owned subsidiary, viz. Kiel-based Vossloh Locomotives GmbH (registered at the Kiel Local Court under C/R no. HRB 3247 KI), as controlled subsidiary have amended and restated by agreement dated March 30, 2010, the direct-control and P&L transfer agreement (the "Subordination Agreement") executed by and between the parties on December 15, 1999, the primary reason for such amendment and restatement being the amended profit & loss transfer legislation which is now duly reflected in the new Subordination Agreement.

The Executive and Supervisory Boards propose that the AGM approve the amended and restated Subordination Agreement, which reads as follows:

"Preamble

The current direct-control and profit & loss transfer agreement between Vossloh AG and Vossloh Locomotives GmbH, executed on December 15, 1999, is hereby amended and shall be effective as from January 1, 2010, entirely restated as follows:

Art. 1 Management and Direction of Vossloh Locomotives GmbH

- (1) Notwithstanding the fact that it is a legal entity in its own right, Vossloh Locomotives GmbH has since its formation been integrated with Vossloh AG at the financial, economic and organizational levels. Vossloh Locomotives GmbH defers to Vossloh AG's authority and direction and will conduct its business solely as lawfully and legitimately instructed by Vossloh AG, however, without prejudice to the personal liability and responsibility of Vossloh Locomotives GmbH's Management Board members in matters relating to compliance with legal requirements.
- (2) In any other respect, management, conduct of business and representation of Vossloh Locomotives GmbH remain the responsibility of Vossloh Locomotives GmbH's Management Board.
- (3) Vossloh AG is not entitled to instruct Vossloh Locomotives GmbH's Management Board to amend, continue or terminate this Agreement.

Art. 2 Profit Transfer

- (1) Vossloh Locomotives GmbH agrees to transfer its entire profit, determined in accordance with the applicable provisions of the German Commercial Code ("HGB"), to Vossloh AG. The determination of transferable profits shall be governed by the provisions of (i) Art. 301 German Stock Corporation Act ("AktG"), as amended, or (ii) any statutory regulations superseding Art. 301 AktG.
- (2) Subject to Vossloh AG's approval and to the extent that applicable law permits so and sound judgment justifies so for business reasons, Vossloh Locomotives GmbH may transfer part of the net income earned during the life hereof to the reserves retained from earnings, as defined in Art. 272(3) HGB. Any reserves retained from earnings during the life of the Agreement shall be released if and when so required by Vossloh AG and either transferred as profit or applied to offset any net loss for a year.
- (3) No amount from pre-Agreement profit carryforwards or from reserves that have been retained from earnings at or prior to the date hereof shall be transferred as profit or appropriated to offset any net loss for a year, nor shall any amount be transferred as profit from the additional paid-in capital.
- (4) Amounts which have been transferred from reserves retained from earnings prior to the date specified in (2) above may be distributed, as may any amount which has been transferred from the additional paid-in capital.
- (5) The profit shall be accounted for transfer as of the value date at which Vossloh Locomotives GmbH also closes its annual accounts. The payment obligation from this profit transfer account arises as and when the underlying financial statements have been adopted.

Art. 3 Loss absorption

- (1) Pursuant to Art. 302 AktG, Vossloh AG is obligated to absorb any such additional net loss incurred by Vossloh Locomotives GmbH during the life of the Agreement as has not been or could not be offset by the retransfer according to Art. 2(2) hereof from reserves which had been retained from earnings while the Agreement has been in force and effect.
- (2) The claim to loss transfer will be due at the close of Vossloh Locomotives GmbH's annual closing date and carry annual interest as from such date at 5 percent.
- (3) In addition, the provisions of (i) Art. 302 AktG, as amended, or (ii) any statutory regulations superseding Art. 302 AktG, shall fully apply, including to the statutory limitation of claims for loss absorption.

Art. 4 Right to Information and Inspection

- (1) Vossloh AG is entitled anytime to inspect Vossloh Locomotives GmbH's books and business records. In addition, Vossloh Locomotives GmbH's Management Board is obligated to provide Vossloh AG with information about legal, business and administrative matters and transactions, etc.
- (2) Notwithstanding Vossloh AG's rights as stated above, Vossloh Locomotives GmbH shall report at least once monthly on its business trends, with particular emphasis on material transactions.

Art. 5 Term and Termination

- (1) The Agreement is made for an indefinite period of time. In the event that, during the life of the Agreement, (i) Vossloh Locomotives GmbH's fiscal year covers less than twelve calendar months or (ii) the tax office does not recognize the existence of a tax group for one year since the beginning of this year, the minimum term hereof extends for further (short) fiscal years until the minimum term of five full successive years has been covered.
- (2) The Agreement is noncancelable for an initial term of five full years, i.e., from its entry into the Commercial Register up to December 31, 2010, and hence up to December 31, 2014. Thereafter, either party hereto may give 6 months' written notice as of the end of a fiscal year of Vossloh Locomotives GmbH.
- (3) The aforesaid shall apply without prejudice to the right to terminate the Agreement for good cause, in analogous application of Art. 297(1) AktG. For the purposes hereof, good cause shall include (without being limited to) (i) an impending merger or split-up of Vossloh Locomotives GmbH into a legal form that cannot be a controlled subsidiary within a tax group, or (ii) the loss by Vossloh AG of the (directly or indirectly held) majority of the voting rights in Vossloh Locomotives GmbH.
- (4) Notice of termination shall strictly be given in writing.

Art. 6 Effective Date

The Agreement shall take force and effect when entered into the Commercial Register of Vossloh Locomotives GmbH.

Art. 7 Collateral Security

Upon the termination hereof, Vossloh AG shall on demand furnish any creditors of Vossloh Locomotives GmbH with collateral by applying the provisions of Art. 303 AktG *mutatis mutandis*.

Art. 8 Application of Stock Corporation Law

Unless the Agreement lawfully and legitimately provides otherwise, the provisions of Arts. 291–301 AktG (as amended) shall apply *mutatis mutandis*.

Art. 9 Severability

The present or future ineffectiveness or unenforceability of any provision hereof shall not affect the remaining Agreement.

Art. 10 Place of Jurisdiction

Place of jurisdiction shall be Düsseldorf, Germany."

The general meeting of Vossloh Locomotives GmbH has consented to the amended Subordination Agreement in notarized form. The amended and restated Subordination Agreement, the annual financial statements and, where required by the law, management reports of the contracting parties for the preceding three fiscal years, as well as the report according to Art. 293a AktG jointly prepared by Vossloh AG's Executive Board and Vossloh Locomotives GmbH's Management Board on the Agreement will all be publicly available to stockholders as from the date of this invitation, in the offices of Vossloh AG (located at Vosslohstr. 4 in 58791 Werdohl, Germany) and Vossloh Locomotives GmbH (located at Falckensteiner Str. 2 in 24159 Kiel). Moreover, these documents will be available for inspection at the AGM. On request any stockholder may immediately obtain a free copy of such documents which are also downloadable from the Company's website at www.hauptversammlung.vossloh.com

Executive Board report to the AGM on Agenda Item 7 pursuant to Art. 71(1) No. 8 AktG in conjunction with Art. 186(3) clause 4 and (4) clause 2 AktG

The provisions of Art. 71(1) No. 8 AktG offer stock corporations the option (if duly approved by the general meeting) of acquiring treasury stock equivalent to an aggregate maximum of ten percent of their capital stock. Agenda Item 7 proposes that the Company be granted such authorization for a period not to exceed five years, the new maximum period permitted by amended legislation (ARUG of July 30, 2009).

Besides repurchase via stock markets, the Company will, if resolved as proposed, also be given the opportunity to acquire treasury stock by making a public repurchase offer to its stockholders or by publicly inviting them to bid, all in full conformity with the equal-opportunity principle of German stock corporation legislation. In a public repurchase offer or a public invitation to bid, stockholders decide themselves how many shares and, if a spread is fixed, at what price they are willing to offer their shares to

the Company. If the shares offered exceed the number required in a public repurchase offer, or if not all bids out of several equivalent ones can be accepted in an invitation to bid, offer or bid acceptance will be based on proportionate allocation. However, the terms may provide for the preferential acceptance of small lots offered of 100 shares or less per stockholder. This option will ensure that, upon proportionate allocation to the repurchase offers or bids, fractional amounts and small lots of remaining shares are avoided, thus making technical handling easier. The purchase price offered or the limits of the purchase price spread per share (excluding purchase incidentals) may not be more than ten percent above or below the average closing prices as quoted by the Xetra system (or any comparable successor system) of the Frankfurt/Main Stock Exchange on the three trading days before publication of either the repurchase offer or the public invitation to bid. If after the publication of either the repurchase offer or the public invitation to bid, the relevant share price differs considerably, the repurchase offer or invitation to bid may be adjusted accordingly on the basis of the average closing prices on the three trading days before publishing the stock price adjustment. The repurchase offer or invitation to bid may include further conditions.

The proposed reauthorization provides that, after first obtaining Supervisory Board approval, treasury stock may be used for any lawful purposes, particularly any of the following:

(a) If resolved as proposed, the repurchased treasury stock may also be sold ex rights and for cash in a form other than through a stock market or by offering them to all Vossloh stockholders, however, provided that the previously acquired treasury shares are sold at a price that is not significantly below the stock market price then current for same-class Vossloh stock. This proviso reflects the concept of protecting stockholders from dilutive effects. Since the Company will timely before the sale fix a final treasury stock selling price that is substantially close to current market quotations prior to the actual disposal, stockholders are thus generally enabled to maintain their shareholding percentage by acquiring the necessary number of shares via a stock exchange. The discount on the current market price will be kept by the Executive Board at the minimum acceptable under the market conditions prevailing at the time of stock placement and in no case exceed five percent of the stock price quoted when the authority hereunder is exercised.

The option offered by the proposed reauthorization to exclude the stockholders' statutory subscription by applying the provisions of Art. 186(3) clause 4 AktG *mutatis mutandis* is destined to offer the Company the opportunity, for instance, to sell treasury shares to institutional investors or to float stock at international exchanges. Moreover, new investor groups can thus be attracted in Germany and abroad. The ex rights

placement option offers the Executive Board the latitude required for promptly and cost-effectively seizing upcoming stock market opportunities for the placement of Vossloh stock without the need for any time-consuming and costly processing of subscriptions. The authority is confined to treasury shares that represent an aggregate maximum of ten percent of the Company's capital stock. Treasury shares sold or issued ex rights during the validity period of this authority by applying Art. 186(3) clause 4 AktG directly or *mutatis mutandis* must be counted toward this capital ceiling.

- (b) Treasury stock may also be disposed of in return for a contribution in kind while excluding subscription rights. This authority is meant to give Vossloh AG the scope and resources needed to flexibly and cost-efficiently take action in M&A transactions, for instance, by using treasury stock in certain cases in exchange for equity interests in acquirees. When determining the pricing ratios, the Executive Board will ensure that the interests of Vossloh stockholders are reasonably respected. While, as a rule, the pricing of the treasury stock to be swapped and transferred will be based on current stock market quotations, the Company will not insist that the treasury stock price be hinged to quoted prices, in particular, lest negotiations be put at risk due to stock price swings. The financial as well as the voting interests of Vossloh stockholders will be adequately respected when treasury stock is sold ex rights to third parties on the basis of the provisions of Art. 71(1) No. 8 AktG.
- (c) The reauthorization further provides that treasury stock may be used ex rights to settle obligations under convertible and/or warrant bonds issued by the Company and/or any of its wholly owned subsidiaries. It may be deemed expedient, in lieu of new stock issued upon a capital increase, to take any or all of the shares from the treasury stock portfolio which are required to settle obligations under the convertible and/or warrant bonds. The appeal of this approach is that no new shares must be created and issued, thus avoiding the dilutive effects typically arising from a capital increase.
- (d) The Company may redeem and withdraw treasury stock without requiring another vote by the stockholders' general meeting. According to Art. 237(3) No. 3 AktG, Vossloh AG's general meeting can resolve that its fully paid-up no-par shares be redeemed without requiring the Company's capital stock to be decreased, an alternative expressly provided by the proposed authority besides a stock redemption followed by a capital decrease. When treasury stock is redeemed without decreasing the capital stock, the notional interest of the remaining no-par shares in Vossloh AG's total capital stock increases automatically. Therefore, the Executive Board should also be authorized to make the necessary amendment in the bylaws by restating the total number of no-par shares accordingly.

The Executive Board will report on the exercise of the authority at the succeeding annual general meeting.

Report of the Executive Board on Agenda Item 8 pursuant to Art. 221(4) clause 2 AktG in conjunction with Art. 186(4) clause 2 AktG

Agenda Item 8 proposes that the issuance of convertible bonds, warrant bonds, participating rights and/or income bonds or any combination of such financial instruments (hereinafter collectively "Bonds") be authorized in order to (i) broaden the Company's base for funding its operations and (ii) pave the way for the Executive Board (subject to prior Supervisory Board approval) to seize favorable capital market opportunities and thus access in the Company's interests a flexible and readily available source of finance. Such Bonds represent an essential element of the Company's reasonable equity base since Vossloh benefits initially from low-interest debt that it might retain in the form of equity at a later date. In addition, the conversion and option premiums earned in this case will accrue to Vossloh AG. Therefore, the issuance of Bonds with a flexible (minimum) conversion or option price is proposed for authorization. In this context, new conditional capital must be authorized to settle the obligations arising from the exercise of the related conversion and/or option rights from Bonds issued on the basis of this authority.

If authorized as proposed, Bonds may be issued for a total principal of €150 million. The maximum number of shares required for servicing such Bonds is 1,479,585, equivalent to a notional interest of up to €3,782,500 in the capital stock.

According to the law, stockholders are generally entitled to subscribe for Bonds that come with conversion or option rights and/or obligations under the terms of Art. 221(4) in conjunction with Art. 186(1) AktG. Stockholders are thus offered the opportunity to invest their capital in Vossloh and maintain their shareholding percentage. The stockholders' statutory subscription right may also be maintained through the Company, with a view to facilitating the issuance of Bonds, issuing the Bonds to a bank or consortium or syndicate of banks as underwriters, thus obligating them to tender the Bonds to stockholders in accordance with the latter's subscription rights, i.e., so-called indirect subscription rights under the terms of Art. 186(5) AktG.

However, in conformity with current law, the Executive Board should be authorized, subject to the Supervisory Board's prior approval, in certain cases to exclude the subscription right:

(a) Fractions resulting from the subscription ratio may be excluded from the subscription right in order to ensure that, by exercising the authority for round amounts, a practicable subscription ratio is used, thus facilitating the technicalities of the capital increase.

(b) Furthermore, the subscription right of stockholders may be excluded wherever required to grant to holders of previously issued conversion rights and/or options the right to subscribe for new stock in accordance with the Bond terms. For easier placement on the capital market, such Bonds usually come with an antidilutive mechanism which provides that their holders be granted in any subsequent stock issues cum rights, in lieu of a reduced warrant or conversion price, the same right to subscribe for new stock as stockholders. Bondholders are thus granted stockholder rights to the extent to which they would be entitled as stockholders if they had already exercised their conversion and/or option rights or if the conversion obligation had been satisfied. The Company is thus able to benefit from a higher issue price for shares issued upon conversion or option exercise than it would earn if the antidilutive mechanism consisted in the reduction of the option strike or conversion price.

(c) In addition, the authority to be conferred will (if resolved as proposed) enable the Executive Board, with the Supervisory Board's prior approval to exclude stockholders from exercising their statutory subscription right if the Bonds are issued with conversion rights or equity warrants or conversion obligations at a price that is not significantly below the fair market value of such Bonds. This authority will enable the Company to (i) readily and flexibly seize market opportunities, (ii) ensure smoother placement, and (iii)—by fixing the issuance terms and conditions much closer to current quotations than would be possible in a standard cum rights bond issue—negotiate more favorable terms when fixing Bond coupon and issue price. Admittedly, the provisions of Art. 186(2) AktG do permit that the subscription price (and thus the terms of the respective Bond issue) be published not before the third day preceding the subscription period expiration date. However, in light of the certainly not infrequent stock market volatility phases, a market risk would exist for several days that usually requires a haircut (or other safety margin) to be applied as early as when fixing the Bond terms which would then not be close to current market-driven pricing levels. Moreover, if a subscription right were granted to stockholders, the extent could not be predicted to which it would be exercised, and this would jeopardize the successful placement with third parties and/or entail additional expenses. And finally, if a subscription right were granted to stockholders, the Company—given the duration of a subscription period—would be unable to swiftly respond to a promising or adverse market environment, thus being exposed to stock price slumps that might adversely affect the Company's equity capitalization move.

As required by Art. 221(4) clause 2 AktG, the provisions of Art. 186(3) clause 4 AktG apply *mutatis mutandis* to any such exclusion of subscription rights. According to the proposed resolution, the statutory limit of ten percent of the capital stock must be observed when

excluding subscription rights, thus safeguarding the observance of this limit even in the case of a capital decrease since, for the purpose of subscription right exclusion, the authority (if resolved as proposed) is strictly confined to ten percent of the capital stock at the time the authority takes effect or is exercised, whichever is smaller. The aggregate number of shares issued or sold by the Company ex rights (directly or indirectly) by dint of Art. 186(3) clause 4 AktG while the authority is in force and effect, shall be counted toward this capital ceiling, as shall be any shares (to be) issued to service convertible and/or warrant bonds, provided that such bonds are issued ex rights during the term of this authority in accordance with Art. 186(3) clause 4 AktG.

The provisions of Art. 186(3) clause 4 AktG additionally require that the issue price shall not be significantly below market, thereby ensuring that shareholdings are not appreciably diluted. Such a potential dilutive effect of an ex rights Bond issue (coming with conversion rights, equity warrants and/or conversion obligations) can be determined *a priori* by calculating the theoretical market price of the Bond by using generally accepted pricing techniques (including DCF and related methods) and contrasting the pro forma value to the envisaged issue price. If, after due and proper comparative analysis, such issue price is merely insignificantly below the assumed market value at the time the Bond is floated, Bond issuance ex rights is lawful in line with the rationale of Art. 186(3) clause 4 AktG given the insignificant markdown, because the notional market value of a subscription right would virtually approach zero and, therefore, stockholders would not be significantly disadvantaged at the economic level by such subscription right exclusion. Moreover, on the one hand, stockholders are at any time able to maintain their shareholding percentage of the Company's capital stock by acquiring the necessary number of shares via a stock exchange, even after the rights under convertible bonds or equity warrants have been exercised or the conversion obligation has arisen. On the other hand, the Company is enabled by an AGM-authorized ex rights issue to (i) stipulate Bond terms close to current market quotations, (ii) benefit from maximum placeability of its bonds with third parties, and (iii) swiftly seize any favorable opportunities the market may afford.

(d) In cases where participating rights or income bonds with no equity warrant or conversion right or obligation will be issued, the Executive Board is authorized, subject to the Supervisory Board's prior approval, to generally exclude the statutory subscription right of stockholders if such participating rights or income bonds are (i) essentially debt instruments that do not grant their holders any equity rights or interests in net assets upon liquidation and (ii) return a yield that is not based or contingent on net income, net earnings or dividend payout or is in any other way profit-related. In such cases, the return and issue amount of the participating

rights or income bonds shall furthermore conform to the current market conditions when issued or floated. If these prerequisites are met, the exclusion of the statutory subscription right does not disadvantage Vossloh's stockholders since the participating rights or income bonds do not grant their holders any equity rights or interests in the Company's profit or its net assets upon liquidation.

Participation in and voting at the annual general meeting

Any such stockholders will be entitled to attend and vote at the annual general meeting as have registered with the Company at the following address, duly submitting evidence of their shareholding issued by their depositary:

Vossloh AG
c/o Deutsche Bank AG
– General Meetings –
P.O.B. 200 107
60605 Frankfurt/Main, Germany

The registration request and proof of stock ownership must be received by the Company at the above address by the close of May 12, 2010 (12:00 midnight CEDT).

The proof of stock ownership must refer to the beginning of the 21st day prior to the AGM, i.e., April 28, 2010 (the "Cutoff Date") and be furnished in text format in English or German language (as defined in Art. 126b BGB).

In the relationship to the Company for the purposes of attending and voting at the general meeting, only such persons shall be deemed stockholders as have furnished due proof of stock ownership. Even if stockholders sell any or all of their shares after the Cutoff Date, their right to attend and vote at the general meeting is solely governed by stock ownership as of the Cutoff Date, meaning that the attendance and voting right of stockholders who have sold shares after the Cutoff Date is not affected in any way. Similarly, stockholders who have acquired (additional) shares after, and owned no Vossloh shares at, the Cutoff Date are entitled neither to attend, nor to vote at, the general meeting unless they act as proxy or duly authorized attorney-in-fact.

After due receipt of registration and stock ownership proof, stockholders will receive admission tickets for the AGM. Stockholders are requested to arrange for the timely dispatch of their stock ownership proof to the Company to ensure that the tickets are received in due time.

Total shares and voting rights

As of the date of this invitation to the AGM, Vossloh AG (i) had issued altogether 14,795,870 no-par bearer shares of common stock with as many votes and (ii) owned 1,476,230

treasury shares. Therefore the number of voting shares as of the invitation date is 13,319,640.

Voting proxies

Stockholders may also appoint a proxy to exercise their voting right at the general meeting by issuing a power of attorney to e.g. a bank or stockholder association. In this case, too, due registration and proof of stock ownership as of the Cutoff Date are required as detailed above. The issuance, revocation or withdrawal and proof of power of attorney to the Company require the written form pursuant to Art. 126b BGB. If a bank, a stockholder association, or a person or entity that according to Art. 135 AktG is deemed to rank equal with a bank or stockholder association, is appointed proxy, neither the law nor Vossloh AG's bylaws require a particular form for the power of attorney. However, any of these designated voting proxies may require a special form of power because the latter must be recorded in a verifiable format (Art. 135 AktG). Therefore, stockholders are advised to directly contact the designated proxies for further details and requirements of form.

Stockholders wishing to appoint a voting proxy should preferably use the blank provided by the Company: it is printed on the reverse of the AGM admission ticket which will be sent to stockholders after due registration with, and timely receipt of the proof of stock ownership by, the Company. Another blank is available at Vossloh's website. The proof of appointment of a voting proxy can be emailed to hauptversammlung@ag.vossloh.com

As a special service for our stockholders' convenience, general voting proxies have been appointed who will ensure the exercise of the voting rights of, in accordance with instructions issued by, stockholders at the meeting. If not containing voting instructions (by which Vossloh voting proxies are strictly bound), the power of attorney of a voting proxy is invalid and void. Stockholders wishing to exercise their voting right through a Vossloh-appointed proxy require an admission ticket (obtainable from the depositary) for the annual general meeting. Printed on the ticket is a blank for the power of attorney along with instructions where details of the proxies' authorization and their exercise of voting rights on behalf of stockholders are explained; this information is also downloadable from the Company's website at www.hauptversammlung.vossloh.com

Power of attorney and voting instructions to proxies must be physically mailed (i.e., neither faxed nor emailed), using the admission ticket blanks for the power and voting

instructions, and received by the close of May 17, 2010 (12:00 midnight CEDT). We trust you will understand that any powers and voting instructions received thereafter will not be accepted.

If a stockholder appoints more than one proxy, the Company may reject one or several of these.

Details of stockholder rights according to Arts. 122(2), 126(1), 127 and 131(1) AktG

Motions to amend the agenda submitted by a minority interest

Pursuant to Art. 122(2) AktG, stockholders whose combined stake in the Company equals or exceeds either one-twentieth or €500,000 of the capital stock may insist on adding to the agenda and publishing certain supplementary business. Each item of business to be transacted shall be accompanied by a statement of grounds or a proposed resolution.

Such agenda-amending motions must be received by the Company by the close of April 18, 2010, at the address stated below, any late motions not being considered. Disclosable stockholder motions (unless already communicated with the invitation) will be published immediately after receipt.

Vossloh AG
Vosslohstrasse 4
58791 Werdohl, Germany
Fax: (+49-2392) 52-219
Email: hauptversammlung@ag.vossloh.com

Counterproposals or election proposals by stockholders acc. to Arts. 126(1), 127 AktG

Stockholders may also submit counterproposals to proposals of the Executive Board and/or Supervisory Board on any specific business on this agenda, as well as nominate candidates. Counterproposals require a statement of reasons.

Counterproposals and proposals for election shall be submitted by stockholders exclusively to the address below:

Vossloh AG
Vosslohstrasse 4
58791 Werdohl, Germany
Fax: (+49-2392) 52-219
Email: hauptversammlung@ag.vossloh.com

Counterproposals and election proposals (including the proof of stock ownership) received by the Company at the above address (any differently addressed ones being disregarded) by the close of May 4, 2010, will promptly be published—including any comments by the Executive Board—on the Company’s website at www.hauptversammlung.vossloh.com

Right to obtain information

Pursuant to Art. 131(1) AktG, any stockholder may insist at the AGM on obtaining from the Executive Board information about the Company’s affairs, including its legal and business relations to group companies, as well as about the situation and position of the Group and/or consolidated companies, however, always provided that such information is required to properly deal with and assess any business on the agenda.

Publications on Vossloh’s website

This invitation to the AGM, the reports and documents publishable as from invitation date, as well as any further AGM-related information and additional details of stockholder rights according to Arts. 122(2), 126(1), 127 and 131(1) AktG are disclosed on the Company’s website at www.hauptversammlung.vossloh.com

The voting results will be published after the AGM on the Internet at the same address. This invitation to the annual general meeting was published on April 1, 2010, in the digital version of the German Federal Gazette (“Bundesanzeiger”).

Werdohl, April 2010
The Executive Board

www.vossloh.com

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