
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): December 17, 2015

WORKHORSE GROUP INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

000-53704
(Commission File Number)

26-1394771
(IRS Employer
Identification Number)

100 Commerce Drive, Loveland, Ohio 45140
(Address of principal executive offices) (zip code)

513-360-4704
(Registrant's telephone number, including area code)

Copies to:
Fleming PLLC
49 Front Street, Suite 206
Rockville Centre, New York 11570
Phone: (516) 833-5034
Fax: (516) 977-1209

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Agreements of Certain Officers

Director Appointments

On December 17, 2015, the size of the Board of Directors of Workhorse Group Inc. (the "Company") was increased from three to five and Gerald Budde and H. Benjamin Samuels were appointed as a directors of the Company. In addition, Raymond Chess, a director of the Company, was appointed as Chairman of the Board of Directors.

There is no understanding or arrangement between Messrs. Budde and Samuels and any other person pursuant to which Messrs. Budde and Samuels were selected as a directors of the Company. Messrs. Budde and Samuels do not have any family relationship with any director, executive officer or person nominated or chosen by us to become a director or an executive officer. Since January 1, 2015, Messrs. Budde and Samuels have not had a direct or indirect material interest in any transaction or proposed transaction, in which the Company was or is a proposed participant exceeding \$120,000. On December 17, 2015, Messrs. Budde and Samuels entered into letter agreements with the Company pursuant to which they were each appointed as directors of the Company in consideration of an annual fee of \$40,000. Additionally, the Company granted Messrs. Budde and Samuels options to purchase 50,000 shares of the Company's common stock at \$7.01 per share. The options will expire five years from the vesting period with 10,000 options vesting upon the signing of the agreement and 4,000 every June 30 and December 31 thereafter for a total of 50,000 shares.

From September 2011 through the present, Mr. Budde serves as the Chief Financial Officer of Assured Neace Lukens Insurance Agency, Inc. and maintains titles for other affiliated companies. Mr. Budde was previously the Chief Financial Officer and shareholder of Neace Lukens Holding Company and Subsidiaries from July 2003 through September 2011, when it was acquired by Assured Partners Capital, Inc. AssuredPartners was founded in 2011 and is a national partnership of leading independent property and casualty and employee benefits brokerage firms. Mr. Budde was the Machine Tool Group Controller of Cincinnati Milacron Inc. from April 1994 to October 1998, at which time he was appointed as Vice President of Finance after Cincinnati Milacron's machine tool group was acquired by UNOVA Industrial Automation Systems, Inc. Mr. Budde remained in that role prior to joining Neace Lukens in 2003. Mr. Budde was a Certified Public Accountant until he left public accounting and Ernst & Young and after 11 years of service in 1994. Mr. Budde is currently a member of the Board of Trustees and the Finance Committee of Mt. Notre Dame high school and is also a member of the Finance Commission of St. Margaret of York parish and school. Mr. Budde received a Bachelor's degree in Accounting from the University of Dayton. We believe that Mr. Budde should serve as a member of our board of directors due to his extensive experience in accounting, financial reporting and business management.

Mr. Samuels served as CEO of Victory Packaging from May 2007 through 2015, during which time he led an executive team which currently manages more than 1,500 employees. In 2015, Mr. Samuels was appointed as Co-President after Victory Packaging was acquired by KapStone Paper and Packaging Corporation. From 1997 through 2007, Mr. Samuels served as Vice Chairman and leader of Victory Packaging's national accounts group, real estate, finance and legal departments, achieving a period of unprecedented growth in sales and revenues. Mr. Samuels joined Victory Packaging in 1995 as its regional operating manager of Texas. Mr. Samuels is an active member in the community, where he recently served as the Chairman of the Houston Food Bank. Mr. Samuels also served as the President of the Houston Chapter of the American Jewish Committee before joining its National Board of Governors. Mr. Samuels served on the boards of and held leadership positions with American Leadership Forum, Serve Houston, Holocaust Museum Houston, Jewish Federation of Greater Houston and Jewish Family Service. Mr. Samuels received a Bachelor's degree in American studies and economics from Amherst College in Massachusetts well as an MBA from the Harvard Graduate School of Business Administration. We believe that Mr. Samuels should serve as a member of our board of directors due to his extensive experience in growing and managing growth orientated businesses.

Establishment of Board Committees and Adoption of Charters

On December 17, 2015, the Company established a Nominating and Corporate Governance Committee, a Compensation Committee and an Audit Committee (collectively, the "Committees") and approved and adopted charters to govern each of the Committees.

In connection with the establishment of the Nominating and Corporate Governance Committee, Compensation Committee and Audit Committee, the Board of Directors of the Company appointed members to each such committee. Currently, all three committees are comprised of three (3) directors meeting the requirements set forth in each applicable charter. The membership of these three standing committees of the Board of Directors of the Company is as follows:

Nominating and Corporate Governance Committee

Compensation Committee

Audit Committee

Raymond Chess (Chairman)
Gerald Budde
James Taylor

James Taylor (Chairman)
Gerald Budde
Benjamin Samuels

Gerald Budde (Chairman)
Raymond Chess
Benjamin Samuels

Item 9.01 Financial Statements and Exhibits

Exhibit No.	Description of Exhibit
4.1	Stock Option Agreement by and between Workhorse Group Inc. and Gerald Budde dated December 17, 2015
4.2	Stock Option Agreement by and between Workhorse Group Inc. and H. Benjamin Samuels dated December 17, 2015
10.1	Director Agreement by and between Workhorse Group Inc. and Gerald Budde dated December 17, 2015
10.2	Director Agreement by and between Workhorse Group Inc. and Benjamin Samuels dated December 17, 2015
99.1	Nominating and Corporate Governance Committee Charter adopted by the Board of Directors of Workhorse Group Inc. on December 17, 2015
99.2	Compensation Committee Charter adopted by the Board of Directors of Workhorse Group Inc. on December 17, 2015
99.3	Audit Committee Charter adopted by the Board of Directors of Workhorse Group Inc. on December 17, 2015

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WORKHORSE GROUP INC.

Date: December 21, 2015

By: /s/ Stephen S. Burns

Name: Stephen S. Burns

Title: CEO

WORKHORSE GROUP INC.
DIRECTOR NONSTATUTORY STOCK OPTION AGREEMENT

This **DIRECTOR Nonstatutory Stock Option Agreement** ("**Agreement**") is made and entered into as of the date set forth below, by and between WORKHORSE GROUP INC., a Nevada corporation (the "**Company**"), and the following Director of the Company (herein, the "**Optionee**"):

In consideration of the covenants herein set forth, the parties hereto agree as follows:

1. Option Information.

- | | |
|-----------------------|-------------------|
| (a) Date of Option: | December 17, 2015 |
| (b) Optionee: | Gerald Budde |
| (c) Number of Shares: | 50,000 |
| (d) Exercise Price: | \$7.01 |

2. Acknowledgements.

(a) Optionee is a Director of the Company, not an employee; and

(b) The Board of Directors (the "**Board**") has authorized the granting to Optionee of a nonstatutory stock option ("**Option**") to purchase shares of common stock of the Company ("**Stock**") upon the terms and conditions hereinafter stated and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "**Securities Act**").

3. Shares; Price. The Company hereby grants to Optionee the right to purchase, upon and subject to the terms and conditions herein stated, the number of shares of Stock set forth in Section 1(c) above (the "**Shares**") for cash at the price per Share set forth in Section 1(d) above (the "**Exercise Price**").

4. Term of Option. This Option shall expire, and all rights hereunder to purchase the Shares, shall terminate five (5) years from the date hereof. Nothing contained herein shall be construed to interfere in any way with the right of the Company to terminate Optionee as a Director to the Company, or to increase or decrease the compensation paid to Optionee from the rate in effect as of the date hereof.

5. Vesting of Option. Subject to the provisions of Sections 7 and 8 hereof, this Option shall become exercisable during the period that Optionee serves as a Director of the Company with respect to 10,000 shares on the date hereof and then in ten equal installments of 4,000 shares every six months on June 30 and December 31. The installments shall be cumulative (i.e., this option may be exercised, as to any or all shares covered by an installment, at any time or times after an installment becomes exercisable and until expiration or termination of this option).

6. Exercise. This Option shall be exercised by delivery to the Company of (a) written notice of exercise stating the number of Shares being purchased (in whole shares only) and such other information set forth on the form of Notice of Exercise attached hereto as Appendix A, (b) a check or cash in the amount of the Exercise Price of the Shares covered by the notice (or such other consideration as has been approved by the Board of Directors and (c) a written investment representation as provided for in Section 13 hereof.

7. Termination of Service. If Optionee's service as a Director to the Company terminates for any reason, no further installments shall vest pursuant to Section 5.

8. Death of Optionee. If the Optionee shall die while serving as a Director to the Company, Optionee's personal representative or the person entitled to Optionee's rights hereunder may at any time within ninety (90) days after the date of Optionee's death, or during the remaining term of this Option, whichever is the lesser, exercise this Option and purchase Shares to the extent, but only to the extent, that Optionee could have exercised this Option as of the date of Optionee's death; provided, in any case, that this Option may be so exercised only to the extent that this Option has not previously been exercised by Optionee.

9. No Rights as Shareholder. Optionee shall have no rights as a shareholder with respect to the Shares covered by any installment of this Option until the effective date of the issuance of shares following exercise of this to Option, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued except as provided in Section 10 hereof.

10. Recapitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by this Option, and the Exercise Price thereof, shall be proportionately adjusted for any increase or decrease in the number of issued shares resulting from a subdivision or consolidation of shares or the payment of a stock dividend.

11. Taxation upon Exercise of Option. Optionee understands that, upon exercise of this Option, Optionee will recognize income, for Federal and state income tax purposes, in an amount equal to the amount by which the fair market value of the Shares, determined as of the date of exercise, exceeds the Exercise Price. The acceptance of the Shares by Optionee shall constitute an agreement by Optionee to report such income in accordance with then applicable law and to cooperate with Company in establishing the amount of such income and corresponding deduction to the Company for its income tax purposes. Withholding for federal or state income and employment tax purposes will be made, if and as required by law, from Optionee's then current compensation, or, if such current compensation is insufficient to satisfy withholding tax liability, the Company may require Optionee to make a cash payment to cover such liability as a condition of the exercise of this Option.

12. Modification, Extension and Renewal of Options. The Board or Compensation Committee may modify, extend or renew this Option or accept the surrender thereof (to the extent not theretofore exercised) and authorize the granting of a new option in substitution therefore (to the extent not theretofore exercised), subject at all times to the the Code. Notwithstanding the foregoing provisions of this Section 12, no modification shall, without the consent of the Optionee, alter to the Optionee's detriment or impair any rights of Optionee hereunder.

13. Investment Intent; Restrictions on Transfer.

(a) Optionee represents and agrees that if Optionee exercises this Option in whole or in part, Optionee will in each case acquire the Shares upon such exercise for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof; and that upon such exercise of this Option in whole or in part, Optionee (or any person or persons entitled to exercise this Option under the provisions of Sections 7 and 8 hereof) shall furnish to the Company a written statement to such effect, satisfactory to the Company in form and substance. If the Shares represented by this Option are registered under the Securities Act, either before or after the exercise of this Option in whole or in part, the Optionee shall be relieved of the foregoing investment representation and agreement and shall not be required to furnish the Company with the foregoing written statement.

(b) Optionee further represents that Optionee has had access to the financial statements or books and records of the Company, has had the opportunity to ask questions of the Company concerning its business, operations and financial condition, and to obtain additional information reasonably necessary to verify the accuracy of such information.

(c) Unless and until the Shares represented by this Option are registered under the Securities Act, all certificates representing the Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE 'SECURITIES ACT') OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM.

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THAT CERTAIN NONSTATUTORY STOCK OPTION AGREEMENT BETWEEN THE COMPANY AND THE ISSUEE WHICH RESTRICTS THE TRANSFER OF THESE SHARES WHICH ARE SUBJECT TO REPURCHASE BY THE COMPANY UNDER CERTAIN CONDITIONS.

and/or such other legend or legends as the Company and its counsel deem necessary or appropriate. Appropriate stop transfer instructions with respect to the Shares have been placed with the Company's transfer agent.

14. Stand-off Agreement. Optionee agrees that, in connection with any registration of the Company's securities under the Securities Act, and upon the request of the Company or any underwriter managing an underwritten offering of the Company's securities, Optionee shall not sell, short any sale of, loan, grant an option for, or otherwise dispose of any of the Shares (other than Shares included in the offering) without the prior written consent of the Company or such managing underwriter, as applicable, for a period of up to one year following the effective date of registration of such offering.

15. Notices. Any notice required to be given pursuant to this Option shall be in writing and shall be deemed to be delivered upon receipt or, in the case of notices by the Company, five (5) days after deposit in the U.S. mail, postage prepaid, addressed to Optionee at the address last provided by Optionee for use in Company records related to Optionee.

16. Applicable Law. This Option has been granted, executed and delivered in the State of Ohio, and the interpretation and enforcement shall be governed by the laws thereof and subject to the exclusive jurisdiction of the courts therein.

[SIGNATURE PAGE FOLLOWS]

In Witness Whereof, the parties hereto have executed this Option as of the date first above written.

COMPANY: WORKHORSE GROUP INC.,
a Nevada corporation

By: /s/ Stephen S. Burns

Name: Stephen S. Burns

Title: Chief Executive Officer

OPTIONEE:

By: /s/ Gerald Budde

(signature)

Name: Gerald Budde

Appendix A

NOTICE OF EXERCISE

WORKHORSE GROUP INC.

Re: Nonstatutory Stock Option

Notice is hereby given pursuant to Section 6 of my Nonstatutory Stock Option Agreement that I elect to purchase the number of shares set forth below at the exercise price set forth in my option agreement:

Nonstatutory Stock Option Agreement dated: _____

Number of shares being purchased: _____

Exercise Price: \$ _____

A check in the amount of the aggregate price of the shares being purchased is attached.

I hereby confirm that such shares are being acquired by me for my own account for investment purposes, and not with a view to, or for resale in connection with, any distribution thereof. I will not sell or dispose of my Shares in violation of the Securities Act of 1933, as amended, or any applicable federal or state securities laws. Further, I understand that the exemption from taxable income at the time of exercise is dependent upon my holding such stock for a period of at least one year from the date of exercise and two years from the date of grant of the Option.

I understand that the certificate representing the Option Shares will bear a restrictive legend within the contemplation of the Securities Act and as required by such other state or federal law or regulation applicable to the issuance or delivery of the Option Shares.

I agree to provide to the Company such additional documents or information as may be required as deemed necessary.

By: _____
(signature)
Name: _____

WORKHORSE GROUP INC.
DIRECTOR NONSTATUTORY STOCK OPTION AGREEMENT

This **DIRECTOR Nonstatutory Stock Option Agreement** ("**Agreement**") is made and entered into as of the date set forth below, by and between WORKHORSE GROUP INC., a Nevada corporation (the "**Company**"), and the following Director of the Company (herein, the "**Optionee**"):

In consideration of the covenants herein set forth, the parties hereto agree as follows:

1. Option Information.

- | | |
|-----------------------|-------------------|
| (a) Date of Option: | December 17, 2015 |
| (b) Optionee: | Benjamin Samuels |
| (c) Number of Shares: | 50,000 |
| (d) Exercise Price: | \$7.01 |

2. Acknowledgements.

(a) Optionee is a Director of the Company, not an employee; and

(b) The Board of Directors (the "**Board**") has authorized the granting to Optionee of a nonstatutory stock option ("**Option**") to purchase shares of common stock of the Company ("**Stock**") upon the terms and conditions hereinafter stated and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "**Securities Act**").

3. Shares; Price. The Company hereby grants to Optionee the right to purchase, upon and subject to the terms and conditions herein stated, the number of shares of Stock set forth in Section 1(c) above (the "**Shares**") for cash at the price per Share set forth in Section 1(d) above (the "**Exercise Price**").

4. Term of Option. This Option shall expire, and all rights hereunder to purchase the Shares, shall terminate five (5) years from the date hereof. Nothing contained herein shall be construed to interfere in any way with the right of the Company to terminate Optionee as a Director to the Company, or to increase or decrease the compensation paid to Optionee from the rate in effect as of the date hereof.

5. Vesting of Option. Subject to the provisions of Sections 7 and 8 hereof, this Option shall become exercisable during the period that Optionee serves as a Director of the Company with respect to 10,000 shares on the date hereof and then in ten equal installments of 4,000 shares every six months on June 30 and December 31. The installments shall be cumulative (i.e., this option may be exercised, as to any or all shares covered by an installment, at any time or times after an installment becomes exercisable and until expiration or termination of this option).

6. Exercise. This Option shall be exercised by delivery to the Company of (a) written notice of exercise stating the number of Shares being purchased (in whole shares only) and such other information set forth on the form of Notice of Exercise attached hereto as Appendix A, (b) a check or cash in the amount of the Exercise Price of the Shares covered by the notice (or such other consideration as has been approved by the Board of Directors and (c) a written investment representation as provided for in Section 13 hereof.

7. Termination of Service. If Optionee's service as a Director to the Company terminates for any reason, no further installments shall vest pursuant to Section 5.

8. Death of Optionee. If the Optionee shall die while serving as a Director to the Company, Optionee's personal representative or the person entitled to Optionee's rights hereunder may at any time within ninety (90) days after the date of Optionee's death, or during the remaining term of this Option, whichever is the lesser, exercise this Option and purchase Shares to the extent, but only to the extent, that Optionee could have exercised this Option as of the date of Optionee's death; provided, in any case, that this Option may be so exercised only to the extent that this Option has not previously been exercised by Optionee.

9. No Rights as Shareholder. Optionee shall have no rights as a shareholder with respect to the Shares covered by any installment of this Option until the effective date of the issuance of shares following exercise of this to Option, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued except as provided in Section 10 hereof.

10. Recapitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by this Option, and the Exercise Price thereof, shall be proportionately adjusted for any increase or decrease in the number of issued shares resulting from a subdivision or consolidation of shares or the payment of a stock dividend.

11. Taxation upon Exercise of Option. Optionee understands that, upon exercise of this Option, Optionee will recognize income, for Federal and state income tax purposes, in an amount equal to the amount by which the fair market value of the Shares, determined as of the date of exercise, exceeds the Exercise Price. The acceptance of the Shares by Optionee shall constitute an agreement by Optionee to report such income in accordance with then applicable law and to cooperate with Company in establishing the amount of such income and corresponding deduction to the Company for its income tax purposes. Withholding for federal or state income and employment tax purposes will be made, if and as required by law, from Optionee's then current compensation, or, if such current compensation is insufficient to satisfy withholding tax liability, the Company may require Optionee to make a cash payment to cover such liability as a condition of the exercise of this Option.

12. Modification, Extension and Renewal of Options. The Board or Compensation Committee may modify, extend or renew this Option or accept the surrender thereof (to the extent not theretofore exercised) and authorize the granting of a new option in substitution therefore (to the extent not theretofore exercised), subject at all times to the the Code. Notwithstanding the foregoing provisions of this Section 12, no modification shall, without the consent of the Optionee, alter to the Optionee's detriment or impair any rights of Optionee hereunder.

13. Investment Intent; Restrictions on Transfer.

(a) Optionee represents and agrees that if Optionee exercises this Option in whole or in part, Optionee will in each case acquire the Shares upon such exercise for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof; and that upon such exercise of this Option in whole or in part, Optionee (or any person or persons entitled to exercise this Option under the provisions of Sections 7 and 8 hereof) shall furnish to the Company a written statement to such effect, satisfactory to the Company in form and substance. If the Shares represented by this Option are registered under the Securities Act, either before or after the exercise of this Option in whole or in part, the Optionee shall be relieved of the foregoing investment representation and agreement and shall not be required to furnish the Company with the foregoing written statement.

(b) Optionee further represents that Optionee has had access to the financial statements or books and records of the Company, has had the opportunity to ask questions of the Company concerning its business, operations and financial condition, and to obtain additional information reasonably necessary to verify the accuracy of such information.

(c) Unless and until the Shares represented by this Option are registered under the Securities Act, all certificates representing the Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE 'SECURITIES ACT') OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM.

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THAT CERTAIN NONSTATUTORY STOCK OPTION AGREEMENT BETWEEN THE COMPANY AND THE ISSUEE WHICH RESTRICTS THE TRANSFER OF THESE SHARES WHICH ARE SUBJECT TO REPURCHASE BY THE COMPANY UNDER CERTAIN CONDITIONS.

and/or such other legend or legends as the Company and its counsel deem necessary or appropriate. Appropriate stop transfer instructions with respect to the Shares have been placed with the Company's transfer agent.

14. Stand-off Agreement. Optionee agrees that, in connection with any registration of the Company's securities under the Securities Act, and upon the request of the Company or any underwriter managing an underwritten offering of the Company's securities, Optionee shall not sell, short any sale of, loan, grant an option for, or otherwise dispose of any of the Shares (other than Shares included in the offering) without the prior written consent of the Company or such managing underwriter, as applicable, for a period of up to one year following the effective date of registration of such offering.

15. Notices. Any notice required to be given pursuant to this Option shall be in writing and shall be deemed to be delivered upon receipt or, in the case of notices by the Company, five (5) days after deposit in the U.S. mail, postage prepaid, addressed to Optionee at the address last provided by Optionee for use in Company records related to Optionee.

16. Applicable Law. This Option has been granted, executed and delivered in the State of Ohio, and the interpretation and enforcement shall be governed by the laws thereof and subject to the exclusive jurisdiction of the courts therein.

[SIGNATURE PAGE FOLLOWS]

In Witness Whereof, the parties hereto have executed this Option as of the date first above written.

COMPANY: WORKHORSE GROUP INC.,
a Nevada corporation

By: /s/ Stephen S. Burns

Name: Stephen S. Burns

Title: Chief Executive Officer

OPTIONEE:

By: /s/ Benjamin Samuels
(signature)

Name: Benjamin Samuels

Appendix A

NOTICE OF EXERCISE

WORKHORSE GROUP INC.

Re: Nonstatutory Stock Option

Notice is hereby given pursuant to Section 6 of my Nonstatutory Stock Option Agreement that I elect to purchase the number of shares set forth below at the exercise price set forth in my option agreement:

Nonstatutory Stock Option Agreement dated: _____

Number of shares being purchased: _____

Exercise Price: \$ _____

A check in the amount of the aggregate price of the shares being purchased is attached.

I hereby confirm that such shares are being acquired by me for my own account for investment purposes, and not with a view to, or for resale in connection with, any distribution thereof. I will not sell or dispose of my Shares in violation of the Securities Act of 1933, as amended, or any applicable federal or state securities laws. Further, I understand that the exemption from taxable income at the time of exercise is dependent upon my holding such stock for a period of at least one year from the date of exercise and two years from the date of grant of the Option.

I understand that the certificate representing the Option Shares will bear a restrictive legend within the contemplation of the Securities Act and as required by such other state or federal law or regulation applicable to the issuance or delivery of the Option Shares.

I agree to provide to the Company such additional documents or information as may be required as deemed necessary.

By: _____
(signature)
Name: _____

Workhorse Group Inc.
100 Commerce Drive
Loveland, Ohio 45140

December 17, 2015

Gerald Budde

Letter of Appointment – Board of Directors

Dear Mr. Budde:

We are pleased to offer you the role as a director of the Board of Directors (the “Board”) of Workhorse Group Inc. (the “Company”). This letter contains the terms of your appointment as a director of the Board of Directors of the Company and will be effective from the date of the signing of this letter.

1. Your Duties:

- a) You will be expected to attend all meetings (either in person or by teleconference) of the Board of the Company, of which we expect to hold approximately four per annum as well as sign all written consents if you deem appropriate. In addition, you will be expected to perform such other duties as are reasonably contemplated by your holding office as a director of the Company or which may reasonably be assigned to you by the Board from time to time.
- b) As a director you will:
 - i) Perform to the best of your abilities and knowledge the duties reasonably assigned to you by the Board from time to time, whether during or outside business hours and at such places as the Board reasonably requires;
 - ii) Use all reasonable efforts to promote the interests of the Company;
 - iii) Attend directors’ meetings;
 - iv) Act in the best interests of the Company; and
 - v) Work closely with the Board of Directors and the Chief Executive Officer.
- c) As you will appreciate, however, your time commitment will ultimately be a product of the matters confronting the Company from time to time and matters properly requiring your attention as a director of the Company.

2. Remuneration:
 - a) Fees
 - i) The Company will pay you an annual fee of US\$40,000.
 - ii) The Company shall pay the annual fee in equal monthly installments in arrears on the last day of each month. Your first and last installments of the annual fee will be apportioned if necessary. The fee will be paid by wire to your nominated bank account.
 - iii) Your fees shall be subject to adjustment periodically as determined by the Board.
 - b) Options: The Company shall grant you options to purchase 50,000 shares of the Company's common stock at US\$7.01 (price to be equal to the ten day closing average prior to appointment) per share. The options will expire five years from the vesting period. Options will vest as follows: 10,000 shall vest on the effective date of this agreement and 4,000 on June 30 and December 31 of every year thereafter.
3. Expenses: Subject to you providing the Company with receipts or other evidence of payment, the Company will pay for or reimburse you for all travelling, hotel and other expenses reasonably incurred by you in connection with attending and returning from Board, Committee, Company, meetings or otherwise in connection with the Company's business. Reasonable travel and out of pocket expenses used in connection with the business of the Group shall include:
 - a) Cell phone bills;
 - b) Domestic and international travel (economy class under 4 hours and business class over 4 hours); and
 - c) Hotel accommodation.
4. Termination of Appointment:
 - a) Your appointment as the Director may be terminated at any time by the vote of the stockholders of the Company in accordance with the certificate of incorporation and bylaws of the Company.
 - b) You acknowledge and agree that if the shareholders of the Company terminate your appointment, you will have no claim of any kind against the Company by reason of the termination.
 - c) You are at liberty to terminate the appointment at any time by notice in writing to the Company.
5. What happens after termination of appointment? If your appointment is terminated for any reason or you resign for any reason:
 - a) The Company may set off any amounts you owe the Company against any amounts the Company owes to you as a Director at the date of termination except for amounts the Company is not entitled by law to set off;
 - b) You must return all the Company's property (including property leased by the Company) to the Company on termination including all written or machine readable material, software, computers, credit cards, keys and vehicles; and
 - c) You must not record any confidential information in any form after termination.

6. Prohibited Activities:

- a) You undertake to the Company that you will not during the term of your appointment engage in a business or an activity that would place you in a position of conflict in respect of the performance of your duties.
- b) The terms of your appointment do not restrict you from accepting appointment as a director of any other company outside of the Company's industry, providing consulting services or any other business or other activity whatsoever. The Company acknowledges and accepts your current roles as a director. You recognize that the services to be performed by you under the Agreement are special, unique and extraordinary. The parties confirm that it is reasonably necessary for the protection of the Company's goodwill that you agree, and accordingly, you do hereby agree and covenant, that during your term as director, you will not, directly or indirectly, except for the benefit of the Company:
 - i. become an officer, director, more than 2% stockholder, partner, associate, employee, owner, proprietor, agent, creditor, independent contractor, co-venturer or otherwise, or be interested in or associated with any other corporation, firm or business engaged in the same or any similar business competitive with that of the Company (including the Company's present and future subsidiaries and affiliates) (the "Business"); or
 - ii. solicit, cause or authorize, directly or indirectly, to be solicited for or on behalf of himself or third parties from parties who were customers of the Company (including its present and future subsidiaries and affiliates) at any time during your term, any business similar to the business transacted by the Company with such customer; or
 - iii. accept or cause or authorize, directly or indirectly, to be accepted for or on behalf of your or third parties, business from any such customers of the Company (including its present and future subsidiaries and affiliates); or
 - iv. solicit, or cause or authorize, directly or indirectly, to be solicited for employment for or on behalf of you or third parties, any persons who were at any time during your term hereunder, employees of the Company (including its present and future subsidiaries and affiliates); or
 - v. employ or cause or authorize, directly or indirectly, to be employed for or on behalf of yourself or third parties, any such employees of the Company (including its present and future subsidiaries and affiliates); or
 - vi. use the tradenames, trademarks, or trade dress of any of the products of the Company (including its present and future subsidiaries and affiliates); or any substantially similar tradename, trademark or trade dress likely to cause, or having the effect of causing, confusion in the minds of manufacturers, customers, suppliers and retail outlets and the public generally.

You acknowledge the intention that the Company shall have the broadest possible protection of the value of its business consistent with public policy, and it will not violate the intent of the parties if any court should determine that, consistent with established precedent of the forum state, the public policy of such state requires a more limited restriction in geographical area or duration of the aforesaid covenant not to compete, contained in an appropriate decree.

- c) Except as permitted in this Agreement or as approved by the Company, you will not (i) use any Confidential Information (as defined below) or (ii) disseminate or in any way disclose the Confidential Information to any person, firm, business or governmental agency or department. You may use the Confidential Information to perform your Duties for the benefit of Company. You shall treat all Confidential Information with the same degree of care as you accord to your own confidential information, but in no case shall you use less than reasonable care. You shall immediately give notice to Company of any unauthorized use or disclosure of the Confidential Information. You shall assist Company in remedying any the unauthorized use or disclosure of the Confidential Information. You agree not to communicate any information to Company in violation of the proprietary rights of any third party.

“Confidential Information” means (a) any technical and non-technical information related to the Company’s business and current, future and proposed products and services of Company, including for example and without limitation, Company innovations, intellectual property, and information concerning research, development, design details and specifications, financial information, procurement requirements, engineering and manufacturing information, customer lists, business forecasts, sales information, marketing plans and business plans, and provided, in each case, that each is marked as “confidential” or “proprietary” and (b) any information that Company has received from others that may be made known to you and that Company is obligated to treat as confidential or proprietary, and provided, in each case, that each is marked as “confidential” or “proprietary”.

7. Notices and Other Communications:

- a) Service of Notices: A notice, demand, consent, approval or communication under this letter (collectively a “Notice”) must be:
 - i) In writing and in English directed to the address advised by the recipient for notices, as varied by any notice; and
 - ii) Hand delivered or sent by prepaid post or facsimile to that address.
- b) Effective on Receipt: A Notice given in accordance with section 7a takes effect when received (or at a later time specified in the Notice), and is taken to be received:
 - i) If hand delivered, on delivery;
 - ii) If sent by prepaid post, two Business Days after the date of posting (or seven Business Days after the date of posting if posted to or from outside The United States of America);
 - iii) If sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice;

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

8. Miscellaneous

- a) Alterations: This letter may be altered only in writing signed by each party.
- b) Approvals and consents: Except where this letter expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this letter.
- c) Assignment: This letter may NOT be assigned by either party.

- d) Costs: Each party must pay its own costs of negotiating, preparing and executing this letter.
 - e) Survival: Any indemnity in this letter is independent and survives termination of this letter. Any other provision by its nature intended to survive termination of this letter survives termination of this letter.
 - f) Counterparts: This letter may be executed in counterparts. All executed counterparts constitute one document.
 - g) No Merger: The rights and obligations of the parties under this letter do not merge on completion of any transaction contemplated by this letter.
 - h) Entire Agreement: This letter constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.
 - i) Further Action: Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this letter and the transactions contemplated by it.
 - j) Waiver: A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.
 - k) Relationship: Except where this letter expressly states otherwise, it does not create a relationship of employment, agency or partnership between the parties.
 - l) Confidentiality: A party may only use the confidential information of another party for the purposes of this letter, and must keep the existence of this letter and the terms of it and the confidential information of another party confidential information except where:
 - i) The information is public knowledge (but not because of a breach of this letter) or the party has independently created the information; or
 - ii) Disclosure is required by law or a regulatory body (including a relevant stock exchange).
 - m) Announcements: A public announcement in connection with this letter or a transaction contemplated by it must be agreed by the parties before it is made, except if required by law or a regulatory body (including a relevant stock exchange).
9. Insurance: The Company has directors' and officers' liability insurance under which you are covered in the US and elsewhere for all usual risks during the term of your appointment as the Director. The Company will maintain that cover for the full term of your appointment.
10. Contract for Services: This is a contract for services and is not a contract of employment.

11. Governing Law: This Agreement shall be governed by the laws of the State of Ohio (without giving effect to choice of law principles or rules thereof that would cause the application of the laws of any jurisdiction other than the State of Ohio) and the invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Please sign the attached copy of this letter to indicate that you have read, understood and accept the terms of your appointment.

Yours Sincerely,

Workhorse Group Inc.

By: /s/ Stephen S. Burns
Name: Stephen S. Burns
Title: CEO and Director

Agreed to and accepted by:

/s/ Gerald Budde
Gerald Budde

Workhorse Group Inc.
100 Commerce Drive
Loveland, Ohio 45140

December 17, 2015

Benjamin Samuels

Letter of Appointment – Board of Directors

Dear Mr. Samuels:

We are pleased to offer you the role as a director of the Board of Directors (the “Board”) of Workhorse Group Inc. (the “Company”). This letter contains the terms of your appointment as a director of the Board of Directors of the Company and will be effective from the date of the signing of this letter.

1. Your Duties:

- a) You will be expected to attend all meetings (either in person or by teleconference) of the Board of the Company, of which we expect to hold approximately four per annum as well as sign all written consents if you deem appropriate. In addition, you will be expected to perform such other duties as are reasonably contemplated by your holding office as a director of the Company or which may reasonably be assigned to you by the Board from time to time.
- b) As a director you will:
 - i) Perform to the best of your abilities and knowledge the duties reasonably assigned to you by the Board from time to time, whether during or outside business hours and at such places as the Board reasonably requires;
 - ii) Use all reasonable efforts to promote the interests of the Company;
 - iii) Attend directors’ meetings;
 - iv) Act in the best interests of the Company; and
 - v) Work closely with the Board of Directors and the Chief Executive Officer.
- c) As you will appreciate, however, your time commitment will ultimately be a product of the matters confronting the Company from time to time and matters properly requiring your attention as a director of the Company.

2. Remuneration:
 - a) Fees
 - i) The Company will pay you an annual fee of US\$40,000.
 - ii) The Company shall pay the annual fee in equal monthly installments in arrears on the last day of each month. Your first and last installments of the annual fee will be apportioned if necessary. The fee will be paid by wire to your nominated bank account.
 - iii) Your fees shall be subject to adjustment periodically as determined by the Board.
 - b) Options: The Company shall grant you options to purchase 50,000 shares of the Company's common stock at US\$7.01 (price to be equal to the ten day closing average prior to appointment) per share. The options will expire five years from the vesting period. Options will vest as follows: 10,000 shall vest on the effective date of this agreement and 4,000 on June 30 and December 31 of every year thereafter.
3. Expenses: Subject to you providing the Company with receipts or other evidence of payment, the Company will pay for or reimburse you for all travelling, hotel and other expenses reasonably incurred by you in connection with attending and returning from Board, Committee, Company, meetings or otherwise in connection with the Company's business. Reasonable travel and out of pocket expenses used in connection with the business of the Group shall include:
 - a) Cell phone bills;
 - b) Domestic and international travel (economy class under 4 hours and business class over 4 hours); and
 - c) Hotel accommodation.
4. Termination of Appointment:
 - a) Your appointment as the Director may be terminated at any time by the vote of the stockholders of the Company in accordance with the certificate of incorporation and bylaws of the Company.
 - b) You acknowledge and agree that if the shareholders of the Company terminate your appointment, you will have no claim of any kind against the Company by reason of the termination.
 - c) You are at liberty to terminate the appointment at any time by notice in writing to the Company.
5. What happens after termination of appointment? If your appointment is terminated for any reason or you resign for any reason:
 - a) The Company may set off any amounts you owe the Company against any amounts the Company owes to you as a Director at the date of termination except for amounts the Company is not entitled by law to set off;
 - b) You must return all the Company's property (including property leased by the Company) to the Company on termination including all written or machine readable material, software, computers, credit cards, keys and vehicles; and
 - c) You must not record any confidential information in any form after termination.

6. Prohibited Activities:

- a) You undertake to the Company that you will not during the term of your appointment engage in a business or an activity that would place you in a position of conflict in respect of the performance of your duties.
- b) The terms of your appointment do not restrict you from accepting appointment as a director of any other company outside of the Company's industry, providing consulting services or any other business or other activity whatsoever. The Company acknowledges and accepts your current roles as a director. You recognize that the services to be performed by you under the Agreement are special, unique and extraordinary. The parties confirm that it is reasonably necessary for the protection of the Company's goodwill that you agree, and accordingly, you do hereby agree and covenant, that during your term as director, you will not, directly or indirectly, except for the benefit of the Company:
 - i. become an officer, director, more than 2% stockholder, partner, associate, employee, owner, proprietor, agent, creditor, independent contractor, co-venturer or otherwise, or be interested in or associated with any other corporation, firm or business engaged in the same or any similar business competitive with that of the Company (including the Company's present and future subsidiaries and affiliates) (the "Business"); or
 - ii. solicit, cause or authorize, directly or indirectly, to be solicited for or on behalf of himself or third parties from parties who were customers of the Company (including its present and future subsidiaries and affiliates) at any time during your term, any business similar to the business transacted by the Company with such customer; or
 - iii. accept or cause or authorize, directly or indirectly, to be accepted for or on behalf of your or third parties, business from any such customers of the Company (including its present and future subsidiaries and affiliates); or
 - iv. solicit, or cause or authorize, directly or indirectly, to be solicited for employment for or on behalf of you or third parties, any persons who were at any time during your term hereunder, employees of the Company (including its present and future subsidiaries and affiliates); or
 - v. employ or cause or authorize, directly or indirectly, to be employed for or on behalf of yourself or third parties, any such employees of the Company (including its present and future subsidiaries and affiliates); or
 - vi. use the tradenames, trademarks, or trade dress of any of the products of the Company (including its present and future subsidiaries and affiliates); or any substantially similar tradename, trademark or trade dress likely to cause, or having the effect of causing, confusion in the minds of manufacturers, customers, suppliers and retail outlets and the public generally.

You acknowledge the intention that the Company shall have the broadest possible protection of the value of its business consistent with public policy, and it will not violate the intent of the parties if any court should determine that, consistent with established precedent of the forum state, the public policy of such state requires a more limited restriction in geographical area or duration of the aforesaid covenant not to compete, contained in an appropriate decree.

- c) Except as permitted in this Agreement or as approved by the Company, you will not (i) use any Confidential Information (as defined below) or (ii) disseminate or in any way disclose the Confidential Information to any person, firm, business or governmental agency or department. You may use the Confidential Information to perform your Duties for the benefit of Company. You shall treat all Confidential Information with the same degree of care as you accord to your own confidential information, but in no case shall you use less than reasonable care. You shall immediately give notice to Company of any unauthorized use or disclosure of the Confidential Information. You shall assist Company in remedying any the unauthorized use or disclosure of the Confidential Information. You agree not to communicate any information to Company in violation of the proprietary rights of any third party.

“Confidential Information” means (a) any technical and non-technical information related to the Company’s business and current, future and proposed products and services of Company, including for example and without limitation, Company innovations, intellectual property, and information concerning research, development, design details and specifications, financial information, procurement requirements, engineering and manufacturing information, customer lists, business forecasts, sales information, marketing plans and business plans, and provided, in each case, that each is marked as “confidential” or “proprietary” and (b) any information that Company has received from others that may be made known to you and that Company is obligated to treat as confidential or proprietary, and provided, in each case, that each is marked as “confidential” or “proprietary”.

7. Notices and Other Communications:

- a) Service of Notices: A notice, demand, consent, approval or communication under this letter (collectively a “Notice”) must be:
 - i) In writing and in English directed to the address advised by the recipient for notices, as varied by any notice; and
 - ii) Hand delivered or sent by prepaid post or facsimile to that address.
- b) Effective on Receipt: A Notice given in accordance with section 7a takes effect when received (or at a later time specified in the Notice), and is taken to be received:
 - i) If hand delivered, on delivery;
 - ii) If sent by prepaid post, two Business Days after the date of posting (or seven Business Days after the date of posting if posted to or from outside The United States of America);
 - iii) If sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice;

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

8. Miscellaneous

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- c) Assignment: This letter may NOT be assigned by either party.

- d) Costs: Each party must pay its own costs of negotiating, preparing and executing this letter.
 - e) Survival: Any indemnity in this letter is independent and survives termination of this letter. Any other provision by its nature intended to survive termination of this letter survives termination of this letter.
 - f) Counterparts: This letter may be executed in counterparts. All executed counterparts constitute one document.
 - g) No Merger: The rights and obligations of the parties under this letter do not merge on completion of any transaction contemplated by this letter.
 - h) Entire Agreement: This letter constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.
 - i) Further Action: Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this letter and the transactions contemplated by it.
 - j) Waiver: A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.
 - k) Relationship: Except where this letter expressly states otherwise, it does not create a relationship of employment, agency or partnership between the parties.
 - l) Confidentiality: A party may only use the confidential information of another party for the purposes of this letter, and must keep the existence of this letter and the terms of it and the confidential information of another party confidential information except where:
 - i) The information is public knowledge (but not because of a breach of this letter) or the party has independently created the information; or
 - ii) Disclosure is required by law or a regulatory body (including a relevant stock exchange).
 - m) Announcements: A public announcement in connection with this letter or a transaction contemplated by it must be agreed by the parties before it is made, except if required by law or a regulatory body (including a relevant stock exchange).
9. Insurance: The Company has directors' and officers' liability insurance under which you are covered in the US and elsewhere for all usual risks during the term of your appointment as the Director. The Company will maintain that cover for the full term of your appointment.
10. Contract for Services: This is a contract for services and is not a contract of employment.

11. Governing Law: This Agreement shall be governed by the laws of the State of Ohio (without giving effect to choice of law principles or rules thereof that would cause the application of the laws of any jurisdiction other than the State of Ohio) and the invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Please sign the attached copy of this letter to indicate that you have read, understood and accept the terms of your appointment.

Yours Sincerely,

Workhorse Group Inc.

By: /s/ Stephen S. Burns
Name: Stephen S. Burns
Title: CEO and Director

Agreed to and accepted by:

/s/ Benjamin Samuels
Benjamin Samuels