

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  COSTAMARE INC.		<b>2</b> Issuer's employer identification number (EIN)  98-1223768	
<b>3</b> Name of contact for additional information  Anastassios Gabrielides	<b>4</b> Telephone No. of contact  +377 (93) 25 0940	<b>5</b> Email address of contact  agabrielides@costamare.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  7 Rue du Gabian, MC 98000		<b>7</b> City, town, or post office, state, and ZIP code of contact  Monaco	
<b>8</b> Date of action  See below data in #14		<b>9</b> Classification and description  Series C Preferred Shares	
<b>10</b> CUSIP number  Y1771G128	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  CMRE.PRC	<b>13</b> Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ During the year ended December 31, 2017, Costamare Inc. declared the following cash distributions per share to series C preferred stock shareholders of record on the dates specified below:

Date of Record:	Amount per Share:	Date Paid:
January 13, 2017	\$0.531250	January 17, 2017
April 13, 2017	\$0.531250	April 17, 2017
July 14, 2017	\$0.531250	July 17, 2017
October 13, 2017	\$0.531250	October 16, 2017

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Distributions paid in excess of current and accumulated earnings and profits of a corporation reduce the basis of shares of a corporation pursuant to Internal Revenue Code (IRC) Section 301(c)(2) and 316(a). To the extent a return of capital distribution exceeds a shareholders adjusted cost basis, the shareholder should recognize capital gain. Based on current and accumulated earnings and profits of Costamare Inc., each cash distribution paid per share to series C preferred stock shareholders during the year, as of the dates of record, will reduce the basis in each series C preferred stock shareholder as shown below:

- \$0.531250 per share on January 13, 2017
- \$0.531250 per share on April 13, 2017
- \$0.531250 per share on July 14, 2017
- \$0.531250 per share on October 13, 2017

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Based on Costamare Inc.'s current and accumulated earnings and profits, all of the cash distributions paid to series C preferred stock shareholders, as of the dates of record, will reduce the basis of each series C preferred stock shareholder. To the extent a return of capital distribution exceeds a shareholders adjusted cost basis, the shareholder should recognize capital gain.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
IRC Section 301(c)(2) and 316(a)

18 Can any resulting loss be recognized? ▶ For US federal income tax purposes, the distributions will not result in any tax losses for the series C preferred stock shareholders of Costamare Inc.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is 2017. Shareholders as of the below record dates should reduce their basis in each series C preferred stock share held on these dates, by the following amounts per share:

- \$0.531250 per share on January 13, 2017
- \$0.531250 per share on April 13, 2017
- \$0.531250 per share on July 14, 2017
- \$0.531250 per share on October 13, 2017

The reduction in basis is cumulative such that a shareholder who was a series C preferred stock shareholder on the date of record for all of the above mentioned distributions in 2017 would be required to reduce its basis by a total of \$2.125000 per share.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶ *Gregory Zikos* Date ▶ February 6, 2018

Print your name ▶ Gregory Zikos Title ▶ CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Christopher Kealy	<i>Christopher Kealy</i>	February 5, 2018		P00764390
	Firm's name ▶ Ernst & Young U.S. LLP			Firm's EIN ▶	34-6565596
	Firm's address ▶ 777 Woodward Ave. Ste 1000, Detroit, MI 48226-5495			Phone no.	313-628-7100