

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name COSTAMARE INC.		2 Issuer's employer identification number (EIN) 98-1223768	
3 Name of contact for additional information Anastassios Gabrielides	4 Telephone No. of contact +377 (93) 25 0940	5 Email address of contact agabrielides@costamare.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 Rue du Gabian, MC 98000		7 City, town, or post office, state, and Zip code of contact Monaco	
8 Date of action See below data in #14	9 Classification and description Common Stock		
10 CUSIP number Y1771G102	11 Serial number(s)	12 Ticker symbol CMRE	13 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, 2016, Costamare Inc. declared the following cash distributions per share to common stock shareholders of record on the dates specified below:**

Date of Record:	Amount per Share:	Date Paid:
January 21, 2016	\$0.29	February 4, 2016
April 19, 2016	\$0.29	May 4, 2016
August 3, 2016	\$0.29	August 17, 2016
October 21, 2016	\$0.10	November 4, 2016

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 ▶ **Dividends 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).**

Based on current and accumulated earnings and profits of Costamare Inc., a portion of each cash distribution paid per share to common shareholders during the year, as of the dates of record, will reduce the basis in each common stock shareholder as shown below:

- \$0.1833 per share on January 21, 2016**
- \$0.1883 per share on April 19, 2016**
- \$0.1883 per share on August 3, 2016**
- \$0.0632 per share on October 21, 2016**

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, a portion of cash distributions paid to common stock shareholders, as of the dates of record, will reduce the basis of each common stock shareholder.**

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 common 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 2016. Shareholders as of the below record dates should reduce their basis in each common stock share held on these dates, by the following amounts per share:

- \$0.1833 per share on January 21, 2016
- \$0.1883 per share on April 19, 2016
- \$0.1883 per share on August 3, 2016
- \$0.0632 per share on October 21, 2016

The reduction in basis is cumulative such that a shareholder who was a common stock shareholder on the date of record for all of the above mentioned distributions in 2016 would be required to reduce its basis by a total of \$0.6130 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 ▶ [Signature] Date ▶ February 3, 2017

Print your name ▶ GREGORY ZIKOS Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Christopher Kealy	<u>[Signature]</u>	<u>2/2/2017</u>		P00764390
	Firm's name ▶ Ernst & Young U.S. LLP	Firm's address ▶ 777 Woodward Ave. Ste 1000, Detroit, MI 48226-5495		Firm's EIN ▶	34-6565596
				Phone no.	313-628-7100

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054