



**Part II** Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attached statement](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

18 Can any resulting loss be recognized? ▶ [See attached statement](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attached statement](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Sign Here** 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.

Signature ▶ \_\_\_\_\_ Date ▶ March 21, 2018

Print your name ▶ Konstantinos Adamopoulos Title ▶ Chief Financial Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Joseph Siegmann</u>		<u>March 26, 2018</u>		<u>P01621897</u>
	Firm's name ▶ <u>Flott &amp; Co. PC</u>	Firm's EIN ▶ <u>54-1833719</u>		Phone no. <u>(703) 525-5110</u>	
	Firm's address ▶ <u>PO Box 17655, Arlington, VA 22216-7655</u>				

**Attachment to Form 8937**  
**Report of Organizational Actions Affecting Basis of Securities**

***Disclaimer: This Form 8937 and its attachment do not constitute tax advice. Neither document analyzes any specific Shareholder's facts and circumstances. Shareholders should seek independent counsel from qualified tax advisors regarding the U.S. tax consequences of the transaction described in this statement and its impact on their U.S. taxes.***

**Form 8937, Part II, Line 14**

On January 19, 2018 ("Redemption Notice Date"), Safe Bulkers, Inc. ("SB") announced a redemption ("Redemption") of all outstanding 8.00% Series B Cumulative Redeemable Perpetual Preferred Shares ("Series B Preferred Shares"). Pursuant to the Redemption, for each Series B Share a shareholder (a "Shareholder") owns the Shareholder shall receive \$25.00 ("Redemption Price") plus all accumulated and unpaid dividends to, but excluding, February 20, 2018 ("Redemption Date"). As of the Redemption Date the Series B Preferred Shares shall no longer be deemed outstanding, and all rights of the Shareholders will terminate, except the right to receive the Redemption Price.

There were 379,514 Series B Preferred Shares outstanding as of Redemption Notice Date.

In the aggregate, the Redemption resulted in a cash payment of \$9,532,128 for the redeemed Series B Preferred Shares.

**Form 8937, Part II, Line 15**

The Redemption may be a sale or exchange within the meaning of section 302(b) of the Internal Revenue Code ("the Code") if the Redemption, for a particular Shareholder: (1) is not "essentially equivalent to a dividend"; (2) is a distribution that "is substantially disproportionate with respect to the shareholder"; or (3) "is in complete redemption of all of the stock of the corporation owned by the shareholder". Since the determination of the treatment as a sale or exchange under the Code depends on each Shareholder's facts and circumstances, Shareholders are advised to consult with their own qualified tax advisors to determine the appropriate tax consequences for them.

**Form 8937, Part II, Line 16**

Shareholders may recognize a gain or loss on the Redemption. Each Shareholder must determine their adjusted tax basis to calculate whether there is a recognized gain or loss. Each Shareholder should consult with their qualified tax advisor to determine their specific tax consequences of the Redemption.

**Fair Market Value:**

As of the Redemption Notice Date, SB asserts that the FMV of the Series B Preferred Shares was \$25.00 per share.

**Form 8937, Part II, Line 17**

The relevant sections of the Code are; 301, 302, 317, and 1001.

**Form 8937, Part II, Line 18**

The Redemption may result in a recognizable loss to U.S. Shareholders for federal tax purposes if the Shareholder's adjusted basis in the redeemed shares exceeds the net proceeds received from the Redemption.

**Form 8937, Part II, Line 19**

SB does not provide tax advice to its Shareholders. The explanation in this statement is neither intended nor written to be used, and cannot be used, for purposes of avoiding any penalties under the Code. The explanation does not purport to be a complete explanation of the tax consequences for any individual Shareholder, including the possibility of applying different methods for determining a Shareholder's tax basis.

The reportable tax year is calendar year 2018.