



**Nordic  
American  
Tankers**

February 23, 2021

### **Characterization of distribution 2020**

A distribution by a corporation to its shareholders is treated as a dividend for US federal income tax purposes to the extent it comes from current or accumulated earnings and profits and thereafter as a return of capital to the extent of a shareholder's basis in his shares. A distribution that exceeds current or accumulated earnings and profits and the shareholder's basis will be treated as return of capital. If the amounts distributed exceed a shareholder's adjusted U.S. federal income tax basis in its shares, then such shareholder will recognize capital gain for U.S. federal income tax purposes. For additional information you are urged to review the discussion of taxation in our annual report, available on our website.

In 2020 Nordic American Tankers Limited ("NAT") distributed a total of \$67.2 million to its shareholders. Of this amount, \$37.4m (55,6%) was distributed from current earnings and \$29,8m (44,4%) was distributed as a return of capital.

NAT is a non-US company. You should consult your tax advisor regarding the federal, state, local and other tax consequences of those distributions.

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
NORDIC AMERICAN TANKERS LTD		980500048	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
BJØRN GIÆVER	+47 33 42 73 00	bg@scandicamerican.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
LOM Building, 27 Reid Street		HAMILTON, HM 11, BERMUDA	
<b>8</b> Date of action		<b>9</b> Classification and description	
SEE BELOW		COMMON STOCK	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
G65773106	N/A	NAT	

**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 2020, Nordic American Tankers ("NAT") declared the following cash distributions per share for the common shareholders of the record of the specific dates:

DATE OF RECORD	AMOUNT PER SHARE	PAYABLE DATE
03/02/2020	\$0.07	03/16/2020
05/26/2020	\$0.14	06/05/2020
08/28/2020	\$0.20	09/04/2020
12/02/2020	\$0.04	12/15/2020

**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 the current and accumulated earnings and profits of corporation reduce the basis of the shares the corporation pursuant to Internal Revenue Code ("IRC") 301(c)(2) and 316(a)

Based on NAT's current and accumulated earnings and profits the distribution per share as of the dates of record reduce the basis of each common shareholder as follows:

- \$0.03 per share on March 16, 2020
- \$0.06 per share on June 6, 2020
- \$0.08 per share on September 4, 2020
- \$0.01 per share on December 15, 2020

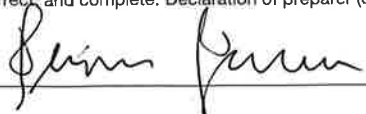
**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ \_\_\_\_\_

**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_  
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18 Can any resulting loss be recognized? ▶ \_\_\_\_\_  
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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_  
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<b>Sign Here</b>	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 ▶ Feb 23, 2021		
<b>Paid Preparer Use Only</b>	Print your name ▶ HERBJØRN HANSSON	Title ▶ FOUNDER, CHAIRMAN, CEO		
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶			Firm's EIN ▶
	Firm's address ▶			Phone no.