

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections
354, 356, 358, 1221

18 Can any resulting loss be recognized? ▶ See attached

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached

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 ▶ *Michael Fitzgerald* Date ▶ 1/10/2017
Print your name ▶ MICHAEL FITZGERALD Title ▶ EVP/CO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Timothy Wade	<u><i>Timothy Wade</i></u>	1/10/2017		P00648565
	Firm's name ▶ KPMG, LLP	Firm's EIN ▶ 13-5565207		Phone no. 973-912-6300	
Firm's address ▶ 150 JOHN F KENNEDY PKWY SHORT HILLS, NJ 07078					

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

OceanFirst Financial Corporation
22-3412577
Attachment to Form 8937

Part II Line 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:

On November 30, 2016, Masters Merger Sub Corp. ("Merger Sub") a wholly owned subsidiary of OceanFirst Financial Corporation ("the Company") merged with and into Ocean Shore Holding Co. ("Shore") with Shore surviving and immediately following that first step, Shore merged with and into the Company with the Company surviving.

Pursuant to the terms of the Merger Agreement, upon completion of the Merger, each share of Shore's common stock, par value \$0.01 per share ("Shore common stock"), that was not owned by the Company or its subsidiaries was converted into the right to receive \$4.35 without interest of cash plus 0.9667 shares the Company's common stock, par value \$0.01 per share ("Company common stock") calculated in accordance with the Merger Agreement. The exchange ratio as defined in the Merger Agreement was 0.9667, so that, for each share of Shore common stock that is exchanged for the Company common stock, a Shore shareholder would receive 0.9667 shares of Company common stock plus \$4.35 in cash without interest together with cash in lieu of fractional shares of the Company Common Stock.

Part II Line 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:

Generally, a U.S. holder's aggregate tax basis in the Company's common stock received by such U.S. holder in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "Cash in Lieu of Fractional Shares of Company Common Stock," will equal such U.S. holder's aggregate tax basis in the Shore common stock surrendered in the merger, increased by the amount of taxable gain, if any, recognized by such U.S. holder in the merger (other than with respect to cash received in lieu of fractional shares of Company common stock), and decreased by the amount of cash, if any, received by such U.S. holder in the merger (other than cash received in lieu of fractional shares of Company common stock). The holding period for the shares of Company common stock received in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "Cash in Lieu of Fractional Shares of Company Common Stock," generally will include the holding period for the shares of Shore common stock exchanged therefore.

Cash in Lieu of Fractional Shares of Company Common Stock

A U.S. holder who receives cash instead of a fractional share of Company common stock will be treated as having received the fractional share of Company common stock pursuant to the merger and then as having exchanged the fractional share of Company common stock for cash in a redemption by the Company. In general, this deemed redemption will be treated as a sale or

exchange and a U.S. holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of Shore common stock allocable to such fractional interest.

Part II Line 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of the securities and the valuation dates:

The exchange ratio as defined in the Merger Agreement was 0.9667 plus \$4.35 in cash without interest, so that, for each share of Shore common stock that is exchanged for Company common stock, a Shore shareholder would receive 0.9667 shares of Company common stock and \$4.35 in cash without interest. As discussed above a U.S. holder's aggregate tax basis in the Company common stock received in the merger, including any fractional shares deemed received, generally will equal such U.S. holder's aggregate tax basis in the Shore common stock surrendered by such U.S. holder in the merger.

To calculate the basis of the Company shares received divide the aggregate basis in the Shore shares given up in the exchange by the exchange ratio of 0.9667. For example if U.S Holder owned one share of Shore with a basis of \$15 the basis in each share of Company stock received would be rounded to \$10.65.

Aggregate basis in Shore stock	\$ 15.00
Less Cash per share received	(4.35)
Adjusted aggregate basis in Shore stock	\$ 10.65
Divided by exchange ratio	0.9667
Basis per share Company stock received (rounded)	\$ 11.02
Total basis in share of Company stock received	\$ 10.65

Part II Line 18 – Can any resulting loss be recognized?

A U.S. holder who receives cash instead of a fractional share of Company common stock will be treated as having received the fractional share of Company common stock pursuant to the merger and then as having exchanged the fractional share of Company common stock for cash in a redemption by the Company. In general, this deemed redemption will be treated as a sale or exchange and a U.S. holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of Shore common stock allocable to such fractional interest. Such gain or loss generally will constitute capital gain or loss and will be long-term capital gain or loss if the U.S. holder's holding period for the Shore common stock exchanged by such U.S. holder is greater than one year as of the effective time. The deductibility of capital losses is subject to limitations.

Part II Line 19 – Provide any other information necessary to implement the adjustment, such as the reportable tax year:

The merger occurred on November 30, 2016. Therefore any gain or loss recognized with respect to the fractional shares should be reported by Shore shareholders in the tax year which includes November 30, 2016 (e.g. calendar-year shareholder would report the transaction on his or her federal income tax return filed for the 2016 calendar year).

Shore shareholders are urged to consult their own tax advisors with respect to their individual tax consequences of the merger. The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code of 1986, as amended, or (ii) promoting, marketing, or recommending any transaction or matter addressed herein.