

United Bancorp, Inc.
Audit Committee Charter

Approved by the Board of Directors

April 18, 2018

Statement of Policy

The purpose of the audit committee is to oversee the Corporation's accounting and financial reporting processes and the audits of the Corporation's financial statements. The audit committee shall provide assistance to the board of directors in fulfilling its oversight responsibilities by reviewing the financial reports and related financial information provided by the Corporation to governmental agencies or the general public, the Corporation's system of internal controls and the effectiveness of its control structure, the Corporation's compliance with designated laws and regulations, and the Corporation's accounting, internal and external auditing and financial reporting processes.

In addition, the audit committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, and each such independent auditor must report directly to the audit committee.

In discharging its responsibilities, the audit committee shall:

- Serve as an independent and objective party to oversee the Corporation's accounting and financial reporting processes, internal control system, and the audits of the Corporation's financial statements.
- Review and evaluate the audit procedures and results of the Corporation's independent auditor and internal audit function and discuss the audited financial statements with management.
- Approve, engage and terminate the independent auditor.
- Review and evaluate the independent auditor's qualifications, performance and independence.
- Review, evaluate and approve any non-audit services the independent auditor may perform for the Corporation and disclose such approved non-audit services in periodic reports to shareholders.
- Maintain free and open means of communication between the board of directors, the independent auditor, the internal auditor, and the management of the

Corporation and resolve any disagreements between management and the independent auditor regarding financial reporting matters.

- Discuss any additional matters with the independent auditor required in connection with the delivery of the Audit Committee Report in connection with the Corporation's annual meeting of shareholders
- Maintain free and open means of communication between employees and the audit committee for the processing of complaints received by the Corporation regarding questionable accounting or auditing matters, including suspicions of fraudulent activity.
- Annually review, and if necessary or appropriate, update this charter for consideration by the board of directors and perform an evaluation of the audit committee performance and function.
- Based on the required review and discussions with management and the independent auditor, make a determination on whether to recommend to the board of directors that the audited financial statements be included in the Corporation's annual report on Form 10-K for the applicable fiscal year for filing with the SEC.
- Deliver the report of the audit committee for inclusion in the Corporation's proxy statement in connection with the Corporation's annual meeting of shareholders.

Organization

The members of the audit committee shall be appointed by the board of directors and may be removed by the board of directors. The audit committee may consult or retain its own independent legal, accounting or other advisors and shall determine the degree of independence from the Corporation required of those advisors. The audit committee shall meet at least four times per year and will report directly to the full board any issues that arise with respect to the quality and integrity of the Corporation's general financial performance and reporting and regulatory compliance. The audit committee may also meet periodically by itself to discuss matters it determines require private audit committee or board of directors' attention. Further, the audit committee shall meet separately with management, with the internal auditor and with the independent auditor. There will be at least three members of the audit committee. A majority of the members of the audit committee shall be a quorum to transact business.

Resources and Authority of the Audit Committee

The audit committee shall have the funding, resources and authority to discharge its duties and responsibilities without seeking the approval of the board of directors or management of the Corporation, including (1) the authority, funding and resources to compensate the independent auditor engaged by the audit committee for the purpose of preparing or issuing the audit report and performing other audit, review and attest

services for the Corporation, (2) the authority, funding and resources to select, retain, terminate and approve the fees and other terms of engagement of, special or independent counsel, accountants and other advisors as deemed appropriate by the audit committee, and (3) the authority to pay all its ordinary administrative expenses incurred in carrying out its duties and responsibilities.

In performing its duties with respect to the appointment of the independent auditor engaged for the purpose of preparing or issuing the audit report and performing other audit, review and attest services for the Corporation, the audit committee shall ensure that engagement letters and any related agreements with the independent auditor do not contain any limitation of liability provisions that:

- (i) Indemnify the independent auditor against claims made by third parties;
- (ii) Hold harmless or release the independent auditor from liability for claims or potential claims that might be asserted by the client insured depository institution, other than claims for punitive damages; or
- (iii) Limit the remedies available to the client insured depository institution.

Qualifications

The audit committee shall be composed entirely of independent directors, determined by the board of directors under the United Bancorp Amended Corporate Governance Guidelines. Each member of the audit committee shall also meet the specific independence requirements of The Nasdaq Stock Market for audit committee members which prohibit any member of the Corporation's audit committee, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee, from:

- (i) accepting directly or indirectly any consulting, advisory, or other compensatory fee from the issuer or any subsidiary thereof, provided that compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service); or
- (ii) having participated in the preparation of the financial statements of the Company or any current subsidiary of the Corporation at any time during the past three years.

In addition, each member of the audit committee shall also meet the financial expertise requirements of The Nasdaq Stock Market which require that every member be able to read and understand fundamental financial statements, including a Corporation's balance

sheet, income statement, and cash flow statement. The committee must also have at least one member who is financially sophisticated as a result of past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. A director who qualifies as an "audit committee financial expert" under SEC Regulation S-K is presumed to qualify as a financially sophisticated audit committee member under this provision. SEC Regulation S-K defines "audit committee financial expert" as a person who has the following attributes:

- (i) an understanding of generally accepted accounting principles and financial statements;
- (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (iv) an understanding of internal control over financial reporting; and
- (v) an understanding of audit committee functions.

SEC Regulation S-K indicates that a person may acquire such attributes through:

- (i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or independent auditor or experience in one or more positions that involve the performance of similar functions;
- (ii) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, independent auditor or person performing similar functions;
- (iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
- (iv) other relevant experience.

Independent auditors

The independent auditor shall be engaged by and accountable to the audit committee and shall report directly to the audit committee. The audit committee shall have the sole authority to engage, compensate, evaluate and terminate the independent auditor, to review with the independent auditor the nature and scope of any disclosed relationships or professional services including all audit engagement fees and terms, and to take appropriate action to ensure the continuing independence of the independent auditor. The audit committee shall pre-approve, or adopt appropriate procedures to pre-approve, all audit and non-audit services to be provided by the independent auditor. The audit committee shall also set clear policies and standards relating to the Corporation's hiring of employees or former employees of the independent auditor to ensure continued independence throughout the engagement of the independent auditor.

In overseeing the independent auditor, each fiscal year the audit committee must discuss with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), 1 as adopted by the Public Company Accounting Oversight Board in Rule 3200T. These matters include:

- (i) the independent auditor's responsibilities under generally accepted auditing standards;
- (ii) an overview of the planned scope and timing of the audit; and
- (iii) any significant findings from the audit.

In addition, the audit committee shall, on an annual basis, obtain from the independent auditor a formal written statement delineating all relationships between the independent auditor and its related entities and the Corporation and its related entities that, in the independent auditor's professional judgment, may reasonably be thought to bear on its independence, as required by applicable requirements of the Public Company Accounting Oversight Board governing the independent accountant's communications with the audit committee concerning independence. The audit committee shall engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and be responsible for taking appropriate action to oversee the independence of the independent auditor.

The audit committee will obtain and review a report of the independent auditor describing its internal quality-control procedures, material issues raised by the most recent internal quality-control review of the independent auditor or an inquiry or investigation by a governmental authority involving one or more audits carried out by the independent auditor in the preceding five years and any steps or procedures taken to deal with any such issues. After reviewing the independent auditor's report, the audit committee shall evaluate the independent auditor's qualifications, performance and independence. The audit committee shall consider the opinions of management and the internal auditor in making such evaluation.

As required by law, the audit committee shall confirm the regular rotation of the lead and concurring audit partner, and consider whether there should be a regular rotation of the independent auditor itself.

The independent auditor shall ascertain that the audit committee is made aware of and timely report to the audit committee all necessary accounting policies and practices to be used, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management and the risks of using such alternative treatments, and inform the audit committee of other material written communications between the independent auditor and management.

Internal Audit

The internal auditor for the Corporation shall directly report to the chairman of the audit committee, as well as to the boards of directors of the Corporation's subsidiary banks, with administrative oversight provided by an appropriate executive officer of the Corporation. The audit committee will oversee the internal audit function and determine that the internal auditor is establishing, maintaining and executing appropriate audit programs, policies and procedures that govern the examination and audit of the ledgers, records, procedures and operations of the Corporation and its affiliates.

Complaint Procedures

The audit committee will establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation and its subsidiaries regarding questionable accounting or auditing matters.

Financial Reporting Oversight Processes

In discharging its responsibilities to oversee governmental and public reporting of financial information, the audit committee shall:

- Discuss with the internal auditor and the independent auditor, with management present, the Corporation's significant exposures (whether financial, operating or otherwise), and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.
- Discuss with the independent auditor, with management present, the financial information to be included in the Corporation's Annual Report of Form 10-K (and the annual report to shareholders if distributed prior to the filing of the Form 10-K). The Chairman of the audit committee will discuss with the independent auditor the quarterly financial information to be included in the Corporation's Quarterly Reports on Form 10-Q, in each case including the disclosures under "Management's

Discussion and Analysis of Financial Condition and Results of Operations” and, in the Chairman’s judgment, involve other members of the audit committee in such discussions as the Chairman deems appropriate.

- Discuss at least annually with the independent auditor, any problems or difficulties the independent auditor has encountered in connection with the annual audit or otherwise and review management’s response.
- At least annually, discuss with the internal auditor and the independent auditor any significant issues regarding accounting principles and financial statement presentations and the adequacy of the Corporation’s internal controls.
- Meet with the independent auditor, at least annually, and review the independent auditor’s performance, including the audit committee’s evaluation of the independent auditor’s lead partner.

Oversight of Code of Ethics and Business Conduct

The audit committee is also tasked with overseeing certain aspects of the United Bancorp, Inc. and Subsidiaries Amended Code of Ethics and Business Conduct (the “Code of Ethics”), as provided more thoroughly therein. Such duties include:

- (i) Setting the standards of ethical business conduct contained in the Code of Ethics and updating such standards when appropriate in the audit committee’s judgment to reflect changes in the legal and regulatory framework applicable to the Corporation;
- (ii) Reviewing the terms and conditions of transactions between the Corporation or its subsidiaries and their respective insiders;
- (iii) Receiving reports, in person or in writing, of any known or suspected violations of laws, governmental regulations or this Code that involve the Corporation’s Chief Executive Officer; and
- (iv) Determining in its judgment whether the waiver of any provisions of the Code of Ethics is appropriate with respect to directors and executive officers of the Corporation.