

UNITED BANCORP INC /OH/
Form DEF 14A
March 19, 2004

SCHEDULE 14A
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

- Preliminary proxy statement.
- Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)).
- Definitive proxy statement.
- Definitive additional materials.
- Soliciting materials pursuant to Rule 14a-11(c) or Rule 14a-12.

UNITED BANCORP, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (check appropriate box):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

March 22, 2004

To Our Shareholders:

You are cordially invited to attend the Annual Meeting of the Shareholders to be held on Wednesday April 21, 2004, at 2:00 p.m. local time, at The Citizens Savings Bank's main office, 201 South Fourth Street, Martins Ferry, Ohio.

The Annual Certified Audit of United Bancorp, Inc. is enclosed for your review prior to attending our Annual Meeting. We are both pleased and excited about our 2003 financial results that reflect the continued cooperation and dedication of our Directors, Officers and Staff.

Payment of our regular first quarter cash dividend was made by separate mailing on March 19th. Whether or not you received your dividend check in a separate mailing is dependent upon your level of participation in our Dividend Reinvestment Plan, Direct Deposit Program or whether your stock is being held for you in a broker name. NO PAYMENT HAS BEEN INCLUDED WITH THIS MAILING OF OUR PROXY MATERIALS.

It is important that your shares are voted, and we hope that you will attend the Annual Meeting. Please vote by executing and returning the enclosed form of Proxy or follow the instructions to vote electronically on the Internet or by phone.

Very truly yours,

/s/ James W. Everson

James W. Everson
Chairman, President and Chief Executive Officer

Enclosures

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UNITED BANCORP, INC.
MARTINS FERRY, OHIO

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 21, 2004

TO THE SHAREHOLDERS OF
UNITED BANCORP, INC.

March 22, 2004

The Annual Meeting of Shareholders of United Bancorp, Inc. will be held at 201 South 4th, Martins Ferry, Ohio, April 21, 2004, at 2:00 p.m. local time for the purpose of considering and voting upon the following matters as more fully described in the Proxy Statement.

PROPOSALS:

1. ELECTION OF DIRECTORS - To elect three directors.
2. OTHER BUSINESS - To transact any other business which may properly come before the meeting or any adjournment of it.

Shareholders of record at the close of business on March 9, 2004 will be entitled to vote the number of shares held of record in their names on that date.

We urge you to sign and return the enclosed proxy as promptly as possible or vote via the phone or Internet, whether or not you plan to attend the meeting in person. This proxy may be revoked prior to its exercise.

By Order of the Board of Directors
/s/ Norman F. Assenza, Jr.
Norman F. Assenza, Jr.
Secretary

YOUR VOTE IS IMPORTANT. PLEASE MARK, SIGN, DATE AND MAIL THE ENCLOSED PROXY FORM(S) WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING. A RETURN ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. YOU MAY ALSO VOTE AT HOME BY PHONE OR INTERNET. PLEASE SEE ENCLOSED INFORMATION ON HOW TO TAKE ADVANTAGE OF THIS CONVENIENT WAY TO VOTE.

UNITED BANCORP, INC.
201 SOUTH 4TH STREET
MARTINS FERRY, OHIO 43935

PROXY STATEMENT FOR ANNUAL MEETING OF
SHAREHOLDERS TO BE HELD APRIL 21, 2004

INTRODUCTION

This Proxy Statement is being furnished to shareholders of United Bancorp, Inc. ("United Bancorp" or the "Corporation") in connection with the solicitation of proxies by the Board of Directors of the Corporation to be used at the Annual Meeting of Shareholders, and any adjournment thereof, to be held at the time and place set forth in the accompanying notice ("Annual Meeting"). This Proxy Statement and the enclosed proxy are first being sent to shareholders on or about March 22, 2004.

At the Annual Meeting, shareholders of the Corporation will be asked to elect three directors.

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VOTING AND REVOCATION OF PROXIES

If the enclosed form of proxy is properly executed and returned to the Corporation in time to be voted at the Annual Meeting, the shares represented by your proxy will be voted in accordance with your instructions marked on the proxy. Where properly executed proxies are returned but no such instructions are given, the shares will be voted "For" the election to the Board of Directors of the persons nominated by the Board of Directors of the Corporation.

The presence of a shareholder at the Annual Meeting will not automatically revoke such shareholder's proxy. However, shareholders may revoke a proxy at any time prior to its exercise by filing with the Secretary of the Corporation a written notice of revocation, by delivering to the Corporation a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person. Written notices of revoked proxies may be directed to Norman F. Assenza, Jr., Secretary, 201 South 4th Street, Martins Ferry, Ohio 43935.

SOLICITATION OF PROXIES

The cost of soliciting proxies will be borne by the Corporation. In addition to the solicitation of proxies by mail, the Corporation, through its directors, officers and regular employees, may also solicit proxies personally or by telephone or telecopy without additional compensation. The Corporation will also request persons, firms and corporations holding shares in their names or in the name of their nominees, which are beneficially owned by others, to send proxy material to and obtain proxies from the beneficial owners and will reimburse the holders for their reasonable expenses in doing so.

MEETING INFORMATION

DATE, PLACE AND TIME

The Annual Meeting of Shareholders of the Corporation will be held on Wednesday, April 21, 2004, at 2:00 p.m., local time, at The Citizens Savings Bank, 201 South 4th Street, Martins Ferry, Ohio.

RECORD DATE, VOTING RIGHTS

Only the Corporation's common shares can be voted at the Annual Meeting. Each share entitles its owner to one vote on all matters.

The close of business on March 9, 2004, (the "Record Date"), has been fixed as the record date for the determination of shareholders entitled to vote at the Annual Meeting. There were approximately 2,000 record holders of the Corporation's common shares and 3,545,014 of the Corporation's common shares outstanding as of the Record Date.

The presence in person or by proxy of a majority of the outstanding common shares of the Corporation entitled to vote at the meeting constitutes a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted for purposes of determining the presence of a quorum.

The three nominees for director who receive the largest number of votes cast "For" will be elected as directors. Shares represented at the Annual Meeting in person or by proxy but withheld or otherwise not cast for the election of directors will have no impact on the outcome of the election of directors.

OWNERSHIP OF VOTING SHARES

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The following table sets forth the beneficial ownership of the Corporation's common shares by each of the Corporation's directors and the Corporation's named executive officers, and the directors and executive officers as a group, as of December 31, 2003.

NAME OF BENEFICIAL OWNER	COMMON SHARES OWNED (1)	PERCENT OF CLASS
Michael J. Arciello	6,781	*
James W. Everson (2)	88,693	2.5%
John M. Hoopingarner (3)	3,507	*
Terry A. McGhee	3,480	*
L. E. Richardson, Jr. (4)	75,637	2.1%
Richard L. Riesbeck (5)	15,268	*
Matthew C. Thomas (6)	21,195	*
Alan M. Hooker (7)	7,874	*
Scott A. Everson	3,164	*
Randall M. Greenwood	3,253	*
Norman F. Assenza, Jr.	9,897	*
All Directors and Executive Officers as a Group (13 in group)	244,010	6.9%

* Ownership is less than 1% of the class.

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- (1) Except as otherwise noted, none of the named individuals shares with another person either voting or investment power as to the shares reported.
 - (2) Includes 49,985 shares subject to shared voting and investment power.
 - (3) Includes 357 shares subject to options which are exercisable within sixty days of December 31, 2003.
 - (4) Includes 294 shares subject to options which are exercisable within sixty days of December 31, 2003 and 72,257 shares subject to shared voting and investment powers.
 - (5) Includes 13,263 shares subject to shared voting and investment power.
 - (6) Includes 1,921 shares subject to shared voting and investment power.
 - (7) Includes 194 shares subject to shared voting and investment power.

As of December 31, 2003, no person was known by the Corporation to be the beneficial owner of more than 5% of the outstanding common shares of the Corporation.

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Directors and officers of United Bancorp and its subsidiaries, and the Corporation's 401k employee benefit plan in total owned 391,691 Shares, or 11.1% of all outstanding shares of the Corporation, as of December 31, 2003.

PROPOSAL 1 ELECTION OF DIRECTORS

The Code of Regulations of the Corporation provides that the Board of Directors of the Corporation shall be divided into classes. Ohio law requires that there be at least three directors in each class. Each class shall hold office for a term of two years. At the Annual Meeting, three directors will be elected to a two-year term expiring in 2005.

The nominees for election at the Annual Meeting are Michael J. Arciello, Terry A. McGhee and L. E. Richardson, Jr., each of whom is currently a director of the Corporation.

The Board of Directors has determined that all Directors have met the independence standards of Rule 4200(a)(15) of the National Association of Securities Dealers listing standards with the exception of James W. Everson, who is the Chief Executive Officer of the Corporation.

The Nominating and Governance Committee of the Board of Directors recommends director candidates to the Board of Directors for nomination, in accordance with the Corporation's Amended Code of Regulations. The Committee will investigate and assess the background and skills of potential candidates. The Nominating and Governance Committee is empowered to engage a third party search firm to assist, but the Committee currently believes that the existing directors and executive management of the Corporation and its subsidiaries have significant networks of business contacts to identify candidates. Upon identifying a candidate for serious consideration, one or more members of the Nominating and Governance Committee would initially interview such candidate. If a candidate merited further consideration, the candidate would subsequently interview with all other Committee members (individually or as a group), meet the Corporation's Chief Executive Officer and other executive officers and ultimately meet many of the other Directors. The Nominating and Governance Committee would elicit feedback from all persons who met the candidate and then determine whether or not to recommend the candidate to the Board of Directors for nomination.

United Bancorp's Corporate Governance Guidelines and Code of Ethics and Business Ethics set forth the following criteria for Directors: independence (a majority of the Directors must be independent); honesty and integrity; willingness to devote sufficient time to fulfilling duties as a Director; particular experience, skills or expertise relevant to the Corporation's business; depth and breadth of business and civic experience in leadership positions; and ties to United Bancorp's geographic markets. United Bancorp's Corporate Governance Guidelines provide that shareholders may propose nominees by submitting the names and qualifications of such persons to the Chairman of the Nominating and Governance Committee. Submissions are to be addressed to the Chairman of the Nominating and Governance Committee at the Corporation's executive offices, which submissions will then be forwarded to the Chairman. The Nominating and Governance Committee would then evaluate the possible nominee using the criteria outlined above and would consider such person in comparison to all other candidates. The submission should be made no later than December 31 of each year for consideration in regard to the next annual meeting of shareholders. The Nominating and Governance Committee is not obligated to recommend to the Board, nor the Board to nominate any such individual for election.

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The Nominating and Governance Committee has not hired any director search firm in 2004 and, accordingly, paid no fees to any such company. As indicated above, however, the Nominating and Governance Committee may do so in the future if necessary.

Neither the Board nor the Nominating and Governance Committee has implemented a formal policy regarding director attendance at the Annual Meeting.

Typically, the Board holds its annual organizational meeting directly following the Annual Meeting, which results in most directors being able to attend the Annual Meeting. In 2003, all United Bancorp, Inc. Directors attended the Annual Meeting.

NOMINEES

CLASS "II" DIRECTORS. The following table sets forth certain information with respect to the nominees as Class "II" Directors of the Corporation who will be voted upon at the Annual Meeting. There were no arrangements or understandings pursuant to which the persons listed below were selected as directors or nominees for director.

NAME	AGE	PRINCIPAL OCCUPATION FOR PAST FIVE YEARS	POSITIONS AND OFFICES HELD WITH UNITED BANCORP
Michael J. Arciello	69	Retired Vice President Finance, Nickles Bakeries, Inc.	Director
Terry A. McGhee	54	President and Chief Executive Officer, Westerman, Inc., a manufacturing company	Director
L. E. Richardson, Jr.	71	Retired President - Southern Ohio Community Bancorporation, Inc.	Director

CONTINUING DIRECTORS

CLASS "I" DIRECTORS. The following table sets forth certain information with respect to Class "I" Directors of United Bancorp, whose terms expire in 2005.

NAME	AGE	PRINCIPAL OCCUPATION FOR PAST FIVE YEARS	POSITIONS HELD WITH UNITED BANCORP
James W. Everson	65	Chairman, President and Chief Executive Officer, United Bancorp; Chairman and Chief Executive Officer, The Citizens Savings Bank; Chairman, The Community Bank	Chairman, President and Chief Executive Officer, United Bancorp; Chairman and Chief Executive Officer, The Citizens Savings Bank; Chairman, The Community Bank
John M. Hoopingarner	49	General Manager and Secretary-Treasurer,	Director

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Muskingum Watershed
Conservancy District

Richard L. Riesbeck	54	President, Riesbeck Food Market, Inc., a regional grocery store chain	Dir
Matthew C. Thomas	47	President, M. C. Thomas Insurance Agency, Inc.	Dir

There were no agreements or understandings pursuant to which any of the persons listed above was selected as a director.

The Board of Directors of United Bancorp met 4 times in 2003. In 2003, each director attended at least 75% of the combined total of meetings of the Board of Directors and meetings of each committee on which such director served.

The Board of Directors has adopted the United Bancorp, Inc. Corporate Governance Guidelines, which you may find on United Bancorp's website at www.unitedbancorp.com. The Board has also adopted the United Bancorp, Inc. Code of Ethics and Business Conduct, which you may find on United Bancorp's website at www.unitedbancorp.com.

Shareholders may communicate directly to the Board of Directors in writing by sending a letter to the Board at: United Bancorp Board of Directors, 201 South Fourth Street, Martins Ferry, Ohio 43935. All letters directed to the Board of Directors will be received and processed by the Corporate Secretary and will be forwarded to the Chairman of the Nominating and Governance Committee without any editing or screening.

COMMITTEES OF THE BOARD

The Board of Directors of United Bancorp has standing Executive, Audit, Compensation, and Nominating and Governance Committees. The membership of these committees is noted below.

EXECUTIVE COMMITTEE. Mr. James W. Everson, Chairman, and Messrs. Hoopingarner, McGhee and Riesbeck are the members of the Corporation's Executive Committee.

The Executive Committee met 4 times during 2003. The functions of this committee are to act in the stead of the board between meetings, to receive formal vendor presentations and to review with management and set the agenda for each board meeting.

AUDIT COMMITTEE. Mr. Arciello, Chairman, and Messrs. McGhee and Riesbeck are the members of the Audit Committee.

The Audit Committee met 4 times during 2003. The functions of this Committee include the engagement of independent auditors, reviewing with those independent auditors the plans and results of the audit engagement of the Corporation, approving the annual audit plan and reviewing the results of the procedures for internal auditing, reviewing the independence of the independent auditors, reviewing the Corporation's financial results and Securities and Exchange Commission filings, reviewing the effectiveness of the Corporation's internal controls and similar functions and approving all auditing and non-auditing services performed by its independent auditors. The Board of Directors has adopted a written charter for the Audit Committee, which is attached hereto as Annex A and which may be found on the Corporation's website

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at www.unitedbancorp.com. All members of the Audit Committee meet the independence standards of Rule 4200(a)(15) and the audit committee qualifications of Rule 4350(d)(2) of the National Association of Securities Dealers listing standards. The Board of Directors has determined that Michael J. Arciello is an audit committee

financial expert for the Corporation and is independent as described in the preceding sentence. The report of the Audit Committee for 2003 appears under the caption "Report of the Audit Committee".

COMPENSATION COMMITTEE. Mr. Thomas, Chairman, and Messrs. Hoopingarner and Richardson are the members of the Compensation Committee.

The Board of Directors has a Compensation Committee comprised entirely of independent Directors. Director and executive officer compensation are determined by this Committee of the Board of Directors. The Board of Directors has adopted a Compensation Committee Charter which may be found on the Corporation's website at www.unitedbancorp.com. This Committee met 1 time during 2003. The Compensation Committee's report on executive compensation matters for 2003 appears under the caption "Compensation Committee Report on Executive Compensation".

NOMINATING AND GOVERNANCE COMMITTEE

The Board of Directors established a Nominating and Governance Committee in February 2004 comprised entirely of independent Directors. Mr. Riesbeck, Chairman, and Messrs. Hoopingarner and McGhee are the members of the Nominating and Governance Committee. This Committee develops and recommends to the Board corporate governance policies and guidelines for the Corporation and for the identification and nomination of Director and committee member candidates and recommends to the Board for nomination by the Board in accordance with the Corporation's Amended Code of Regulations, nominees for election to the Board and appointment to committee membership. The Board of Directors has adopted a Nominating and Governance Committee Charter which may be found on the Corporation's website at www.unitedbancorp.com. This Committee did not exist in 2003 and therefore did not meet in 2003.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the United Bancorp Board of Directors (the "Committee") is composed of three directors, each of whom is independent as defined by the National Association of Securities Dealers listing standards, and operates under a written charter adopted by the Board of Directors which is attached as Annex A.

Management is responsible for the Corporation's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Corporation's consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and to issue a report thereon. The Committee's responsibility is to monitor and oversee the processes.

In this context, the Committee has met and held discussions with management and the independent auditors. In discharging its oversight responsibility as to the audit

process, the Committee obtained from the independent auditors a formal written statement describing all relationships between the auditors and the Corporation that might bear on the auditors' independence consistent with Independence

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Standards Board Standard No. 1, "Independence Discussions with Audit Committees," discussed with the auditors any relationships that may impact their objectivity and independence and satisfied itself as to the auditors' independence. The Committee also discussed with management, the internal auditors and the independent auditors the quality and adequacy of United Bancorp's internal controls and the internal audit function's organization, responsibilities, budget and staffing. The Committee reviewed both with the independent and internal auditors their audit plans, audit scope and identification of audit risks.

The Committee discussed and reviewed with the independent auditors all communications required by generally accepted auditing standards, including those described in Statement on Auditing Standards No. 61, as amended, "Communication with Audit Committees," and, with and without management present, discussed and reviewed the results of the independent auditors' examination of the financial statements. The Committee also discussed the results of the internal audit examinations.

The Committee reviewed the audited consolidated financial statements of United Bancorp as of and for the year ended December 31, 2003, with management and the independent auditors.

Based on the above-mentioned review and discussions with management and the independent auditors, the Committee recommended to the Board that United Bancorp's audited consolidated financial statements be included in its Annual Report on Form 10-K for the year ended December 31, 2003, for filing with the Securities and Exchange Commission. The Committee also appointed the independent auditors.

AUDIT COMMITTEE
 Michael J. Arciello, Chairman
 Terry A. McGhee
 Richard L. Riesbeck

PRINCIPAL ACCOUNTING FIRM FEES

The following table sets forth the aggregate fees billed to United Bancorp for the fiscal years ended December 31, 2003 and December 31, 2002 by Grant Thornton LLP, United Bancorp's principal accounting firm for 2003, and Crow Chizek and Company LLC, United Bancorp's principal accounting firm for 2002.

	2003	December 31, 2002
Audit Fees	\$ 57,575	\$ 47,775
Audit-Related Fees	(a)	(a)
Tax Fees	5,500 (b)	4,425 (b)
All Other Fees	(d)	39,490 (c) (d)
Total	\$ 63,075	\$ 91,690
	=====	=====

a) Includes fees for services related to benefit plan audits, subsidiary company audits, Statement on Auditing Standards No. 70 and trust compliance.

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- (b) Includes fees for services related to tax compliance and tax planning.
- (c) Includes internal audit related services.
- (d) The Audit Committee has considered whether the provision of these services is compatible with maintaining the principal accountant's independence.

The Audit Committee is responsible for pre-approving all auditing services and permitted non-audit services to be performed by its independent auditors, except as described below.

The Audit Committee will establish general guidelines for the permissible scope and nature of any permitted non-audit services in connection with its annual review of the audit plan and will review such guidelines with the Board of Directors. Pre-approval may be granted by action of the full Audit Committee or, in the absence of such Audit Committee action, by the Audit Committee Chair whose action shall be considered to be that of the entire Committee. Pre-approval shall not be required for the provision of non-audit services if (1) the aggregate amount of all such non-audit services constitute no more than 5% of the total amount of revenues paid by the Corporation to the auditors during the fiscal year in which the non-audit services are provided, (2) such services were not recognized by the Corporation at the time of engagement to be non-audit services, and (3) such services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit. No services were provided by Grant Thornton LLP or Crowe Chizek and Company LLC pursuant to these exceptions.

EXECUTIVE COMPENSATION
AND OTHER INFORMATION

GENERAL. The following information relates to compensation of management for the years ended December 31, 2003, 2002 and 2001, unless otherwise noted below.

EXECUTIVE COMPENSATION. The following table sets forth the annual and long-term compensation for United Bancorp's Chief Executive Officer and its four other highest paid executive officers, as well as the total compensation paid to each individual during United Bancorp's last three fiscal years.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		LONG-TERM	SECURITIES UNDERLYING OPTIONS (#)	AL COM (
		SALARY (\$)	BONUS (\$)	COMPENSATION AWARDS		
James W. Everson..... Chairman, President & Chief Executive Officer, United Bancorp, Inc.	2003	212,445	67,959	0		1
	2002	202,178	66,862	0		1
	2001	198,800	43,531	0		1
Alan M. Hooker.....	2003	114,314	31,832	0		

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Executive Vice President & Chief Administration Officer, United Bancorp, Inc.	2002	108,622	35,036	0
	2001	106,600	12,500	0
Scott A. Everson.....	2003	111,224	36,083	0
Senior Vice President & Chief Operating Officer, United Bancorp, Inc.	2002	87,960	30,764	0
	2001	70,000	13,650	0
Randall M. Greenwood.....	2003	90,000	25,612	0
Senior Vice President, Chief Financial Officer & Treasurer, United Bancorp, Inc.	2002	83,562	24,824	0
	2001	80,000	15,800	0
Norman F. Assenza, Jr.....	2003	86,007	24,476	0
Vice President, Chief Compliance Officer & Secretary, United Bancorp, Inc.	2002	86,088	25,575	0
	2001	84,400	16,670	0

(A) The amounts shown in this column for the most recently completed fiscal year were derived from the following figures: (1) contributions by United Bancorp to its 401(k) Plan: Mr. James W. Everson, \$7,000; Mr. Hooker, \$3,210, Mr. Scott A. Everson \$3,808, Mr. Greenwood \$2,597 and Mr. Assenza, \$2,481 and (2) the economic benefit of life insurance coverage provided for the named executive officers: Mr. James W. Everson, \$6,959, Mr. Hooker, \$1,353; Mr. Scott A. Everson \$413, Mr. Greenwood \$484 and Mr. Assenza, \$1,734.

Mr. Scott A. Everson, Senior Vice President & Chief Operating Officer is the son of Mr. James W. Everson, Chairman, President and Chief Executive Officer and a Director.

OPTION EXERCISES AND YEAR-END VALUE TABLE. The following table presents information about stock options exercised during 2003 and unexercised stock options at December 31, 2003 for the named executive officers.

OPTION EXERCISES AND YEAR-END VALUE TABLE

AGGREGATED OPTION EXERCISES IN 2003 AND FISCAL YEAR END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	VALUE OF UNEXERCISED STOCK OPTIONS
			DECEMBER 31, 2003(#)	DECEMBER 31, 2003
----	-----	-----	-----	-----
James W. Everson	0	0	0/36,523	0/339,660
Alan M. Hooker	0	0	1,966/12,072	7,766/47,000
Scott A. Everson	0	0	0/0	0/0
Randall M. Greenwood	0	0	982/6,038	2,386/14,000
Norman F. Assenza, Jr.	0	0	1,056/7,304	9,821/69,000

CHANGE-IN-CONTROL ARRANGEMENTS. The Company has entered into change-in-control agreements with Messrs. James W. Everson, Hooker, Scott A.

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Everson, Greenwood and Assenza. The agreements provide that Mr. James W. Everson, Mr. Hooker, Mr. Scott A. Everson, Mr. Greenwood and Mr. Assenza will be entitled to a lump sum severance benefit in the event of their involuntary termination of employment (other than for cause) following a "change in control" of the Corporation. A change in control is defined to include the acquisition of the Corporation and certain other changes in the voting control of the Corporation. In the event of a change in control and the involuntary termination of employment, the agreements provide that Mr. James W. Everson will receive 2.99 times his annual compensation, Mr. Hooker will receive 2.0 times his annual compensation, Mr. Scott A. Everson will receive 2.0 times his annual compensation, Mr. Greenwood will receive 1.0 time his annual compensation and Mr. Assenza will receive 1.0 times his annual compensation in a lump sum cash payment. Each agreement has a term of one year and is automatically extended for one additional year unless, not later than June 30 of the preceding year, the Corporation gives notice of termination of the agreement. The right of the Corporation to terminate the employment of Mr. James W. Everson, Mr. Hooker, Mr. Scott A. Everson, Mr. Greenwood and Mr. Assenza prior to a change in control is unaffected by these agreements. In the event a change in control had occurred on January 1, 2004, and Mr. James W. Everson's, Mr. Hooker's, Mr. Scott A. Everson's, Mr. Greenwood's or Mr. Assenza's employment had been involuntarily terminated on such date (other than for cause), Mr. James W. Everson, Mr. Hooker, Mr. Scott A. Everson, Mr. Greenwood and Mr. Assenza would have been entitled to receive lump sum severance benefits of \$856,058, \$307,120, \$291,592, \$117,421 and \$114,063 respectively. In the event a potential change in control is announced, the agreements obligate Mr. James W. Everson, Mr. Hooker, Mr. Scott A. Everson, Mr. Greenwood and Mr. Assenza to remain in the employment of the Corporation for not less than one year following the change in control of the Corporation.

BANK OWNED LIFE INSURANCE

United Bancorp has split-dollar life insurance agreements with its executive officers and certain directors. The economic benefit (the imputed income amount of this insurance) for the year 2003 to the named executive officers is included in the amounts for each of these executive officers set forth in the Summary Compensation Table under the column "All Other Compensation." The economic benefit (the imputed income amount of this insurance) for the year 2003 to each director other than James W. Everson is as follows: Mr. McGhee \$29.00; Mr. Hoopingarner \$30.00; Mr. Riesbeck \$122.00; Mr. Thomas \$61.00.

United Bancorp owns the policies and pays all premiums due on the policies that provide death benefits under the split dollar life insurance agreements. Directors have the right to designate beneficiaries of death proceeds up to \$100,000, subject to forfeiture of that right upon the occurrence of certain events. The named executive officers have the right to designate beneficiaries of death proceeds up to four times the named executive officer's annual base salary, subject to forfeiture of that right upon the occurrence of certain events.

DIRECTOR COMPENSATION

United Bancorp compensates each director for services as a director in the following manner: each director receives an annual retainer fee of \$5,000 regardless of board meeting attendance and \$456 per meeting attended. Each member of the Compensation Committee receives \$214 for each meeting attended. The Chairman of the Audit Committee receives \$400 and each other member of the Audit Committee receives \$250 for each meeting of the Audit Committee other than in connection with a meeting of the Board of Directors.

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PENSION PLAN

United Bancorp maintains a defined benefit pension plan for its eligible fulltime employees. It may provide monthly benefits commencing as early as age 50, but not later than age 70, for employees who terminate employment or retire with 5 or more years of credited service.

Benefits at retirement or vested termination of employment are based on years of credited service, and the average of the highest five consecutive years of compensation. The plan is integrated with social security covered compensation.

The table below sets forth retirement benefits at various levels of compensation and years of service based upon retirement at age 65. For this table, benefits are payable to the participant for life and are based on 2003 terms and factors.

BENEFIT TABLE FOR A PARTICIPANT ATTAINING AGE 65 IN 2003

AVERAGE ANNUAL SALARY (\$)	YEARS OF SERVICE					
	10	15	20	25	30	35 OR MORE
200,000	32,142	48,213	64,284	80,355	96,426	112,497
170,000	26,692	40,338	53,784	67,230	80,676	94,122
150,000	23,392	35,088	46,784	58,480	70,176	81,872
125,000	19,017	28,526	38,034	47,543	57,051	66,560
100,000	14,642	21,963	29,284	36,605	43,926	51,247
75,000	10,267	15,401	20,534	25,668	30,801	35,935
50,000	5,892	8,838	11,784	14,730	17,676	20,622
25,000	2,750	4,125	5,500	6,875	8,250	9,625
10,000	1,100	1,650	2,200	2,750	3,300	3,850

Notes: Maximum annual pension available in 2003 in accordance with Section 415 of the Internal Revenue Code assuming a minimum of ten years participation is \$160,000.

The maximum annual compensation allowed under Section 401(a)(17) of the Internal Revenue Code in determining a participant's benefit in 2003 is \$200,000.

As of December 31, 2003, Mr. James W. Everson had 42 years of credited service with the Corporation, Mr. Hooker had 5 years of credited service with the Corporation, Mr. Scott A. Everson had 12 years of credited service with the Corporation, Mr. Greenwood had 6 years of credited service with the Corporation and Mr. Assenza had 25 years of credited service with the Corporation.

OTHER COMPENSATION PLANS

United Bancorp established a stock option plan under which the Corporation awarded options to acquire the Corporation's common shares to directors and key employees of the Corporation and its subsidiaries. As of December 31, 2003, there were no more common shares available for the grant of

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options under the Plan.

United Bancorp has also established the United Bancorp, Inc. and United Bancorp, Inc. Affiliate Banks Directors' Deferred Compensation Plan under which directors of the Corporation may defer directors fees and instead receive United Bancorp common shares on retirement or other termination of membership on the Board of Directors.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Under rules established by the Securities and Exchange Commission (the "SEC"), the Corporation is required to provide certain data and information in regard to the compensation and benefits provided to the Corporation's Chief Executive Officer and, if applicable, the four other most highly compensated executive officers, whose compensation exceeded \$100,000 during the Corporation's last fiscal year. The Compensation Committee (the "Committee") has the responsibility of determining the compensation policy and practices of the Corporation with respect to all of the Corporation's executive officers. At the direction of the Board of Directors, the Committee has prepared the following report for inclusion in this Proxy Statement.

COMPENSATION PHILOSOPHY. This report reflects the Corporation's compensation philosophy as endorsed by the Committee. The Committee determines the level of compensation for the Chief Executive Officer and all other executive officers within the constraints of the amounts approved by the Board.

Essentially, the executive compensation program of the Corporation has been designed to:

- Support a pay-for-performance policy that rewards executive officers for corporate performance.
- Motivate key senior officers to achieve strategic business goals.
- Provide compensation opportunities which are competitive within the banking industry, thus allowing the Corporation to compete for and retain talented executives who are critical to the Corporation's long-term success.

SALARIES. The Committee set the base salary paid to Mr. James W. Everson at \$187,500 effective January 1, 2003 and paid him director's fees in the amount of \$24,945

for serving on the Corporation's Board of Directors and two subsidiary banks' boards of directors. Mr. Hooker's base salary was set at \$107,000 for 2003 and he was paid director fees of \$7,314 for serving on the board of directors of a subsidiary bank. Mr. Scott A. Everson's base salary was set at \$100,000 for 2003 and he was paid director's fees of \$11,224. Mr. Greenwood's base salary was set at \$90,000 for 2003. Mr. Assenza's base salary was set at \$86,007 for 2003. The Corporation has used the services of an independent outside consultant in setting executive compensation, as well as compensation surveys. Executive officers' salary increase determinations are based upon annual reviews of the performance of such executives which assess, among other criteria, the performance of the executive against goals set in the prior year, extraordinary service, promotions within the organization and compensation levels for management performing similar functions at other banking companies of similar size, operations and financial performance.

INCENTIVE COMPENSATION. The executive officers of the Corporation

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participate in incentive compensation plans which provide the opportunity to earn an annual Incentive Award calculated as a percentage of salary, half based on achievement of predetermined goals established by the boards of directors of each subsidiary bank and half by the measured increase of annual earnings per share of United Bancorp. The type and relative weighting of goals may change from year to year. For 2003 the incentive amounts distributed were determined by achievement against specific earnings per share growth, loan and deposit growth, return on assets, return on equity. In addition, participants other than the Chief Executive Officer have a portion of their incentives determined by goals for their individual areas of responsibility. Eligibility and allocation of incentive awards for all participants are determined by the Compensation Committee.

CHIEF EXECUTIVE OFFICER COMPENSATION. James W. Everson's base salary was adjusted from \$178,500 for 2002 to \$187,500 for 2003. The increase in base salary was attributable to the record financial performance in 2002 as well as the strong financial performance over the past several years.

COMPENSATION COMMITTEE
Matthew C. Thomas, Chairman
John M. Hoopingarner
L.E. Richardson, Jr.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

In 2003 the members of the Compensation Committee were Richard L. Riesbeck, L. E. Richardson, Jr. and John M. Hoopingarner. Regulations of the Securities and Exchange Commission require the disclosure of any related party transactions with members of the Compensation Committee. During the past year, certain directors and officers, including members of the Compensation Committee, and one or more of their associates may have been customers of and had business transactions with one or more of the bank subsidiaries of United Bancorp, Inc. All loans included in such transactions

were made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other persons, and did not involve more than normal risk of collectability or present other unfavorable features. It is expected that similar transactions will occur in the future. In addition, The Citizens Savings Bank, a wholly-owned subsidiary of the Corporation, pursuant to the terms of a lease entered into on April 1, 1998, paid Riesbeck Food Markets, Inc. \$26,004 in 2003, and over the 5-year fixed term of the lease, payments will total \$130,000 as lease payments for space used in an in-store banking location at St. Clairsville, Ohio. Mr. Riesbeck is an officer, director and shareholder of Riesbeck Food Markets, Inc. Management believes the lease between Riesbeck Food Markets, Inc. and the Corporation was made on an arms-length basis. Management employed a third party consulting firm that specializes in grocery store banking facilities to establish the terms of the lease.

CERTAIN TRANSACTIONS

United Bancorp has engaged and intends to continue to engage in the lending of money through its subsidiary banks to various of its Directors, executive officers and corporations or other entities in which they may own a controlling interest. The loans to such persons (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (iii) did not involve more than a normal risk of collectability or did not present other unfavorable features. United Bancorp, through its subsidiary, The Citizens Savings Bank, also engages in a

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lease transaction with Riesbeck Food Markets, Inc., of which Richard Riesbeck, a United Bancorp Director, is an officer, director and shareholder.

UNITED BANCORP PERFORMANCE

The following graph shows a five-year comparison of cumulative total returns for United Bancorp, the NASDAQ-Total U. S. Stock Index, SNL Bank Index, SNL \$250M-\$500M Bank Index and the SNL Midwest Bank Index.

UNITED BANCORP, INC.

[TOTAL RETURN PERFORMANCE LINE GRAPH]

INDEX	PERIOD ENDING					
	12/31/98	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03
United Bancorp, Inc.	100.00	68.28	59.54	72.65	79.66	117.94
NASDAQ - Total US	100.00	185.95	113.19	89.65	61.67	92.90
SNL Bank Index	100.00	96.92	114.46	115.61	106.01	143.00
SNL \$250M-\$500M Bank Index	100.00	93.03	89.58	127.27	164.11	237.11
SNL Midwest Bank Index	100.00	78.57	95.15	97.24	93.80	120.07

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16 of the Securities Exchange Act of 1934 requires United Bancorp's executive officers, directors and more than ten percent shareholders ("Insiders") to file with the Securities and Exchange Commission and United Bancorp reports of their ownership of United Bancorp securities. Based upon written representations and copies of reports furnished to United Bancorp by Insiders, all Section 16 reporting requirements applicable to Insiders during 2003 were satisfied on a timely basis.

SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Shareholders may submit proposals appropriate for shareholder action at the Corporation's Annual Meeting consistent with the regulations of the Securities and Exchange Commission. For proposals to be considered for inclusion in the Proxy Statement for the 2005 Annual Meeting, they must be received by the Corporation no later than November 19, 2004. Such proposals should be directed to United Bancorp, Inc., Attention: Chief Executive Officer, 201 South Fourth Street, Martins Ferry, Ohio 43935. Any shareholder who intends to propose any other matter to be acted upon at the 2005 Annual Meeting of Shareholders must inform the Corporation not less than sixty nor more than ninety days prior to the meeting; provided, however, that if less than seventy-five days' notice or prior public disclosure of the date of the meeting is given to shareholders, notice by the shareholder must be received not later than the close of business on the fifteenth day following the earlier of the day on which such notice of the date of the meeting was mailed or such public disclosure was made. If notice is not provided by that date, the persons named in the Corporation's proxy for the 2004 Annual Meeting will be allowed to exercise their discretionary authority to vote upon any such proposal without the matter having been discussed in the proxy statement for the 2004 Annual Meeting.

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In order to make a director nomination at a shareholder meeting it is necessary that you notify United Bancorp no fewer than 60 days in advance of the meeting. In addition, the notice must meet all other requirements contained in the Company's Code of Regulations.

SELECTION OF AUDITORS

For the year ended December 31, 2003, Grant Thornton LLP ("Grant Thornton") served the Corporation as independent auditor. We expect representatives of Grant Thornton to be present at the Annual Meeting with the opportunity to make statements if they so desire and to be available to respond to appropriate questions raised at the Annual Meeting.

On November 19, 2002, the Board of Directors of United Bancorp, upon the recommendation of its Audit Committee, dismissed Crowe Chizek and Company LLC ("Crowe Chizek") as the Corporation's independent public accountant for all periods commencing on or after January 1, 2003, and engaged the firm of Grant Thornton LLP as

its new independent public accountant, effective for the fiscal year beginning January 1, 2003. Crowe Chizek's report on the consolidated financial statements of the Corporation for each of the fiscal years ended December 31, 2002 and December 31, 2001 did not contain an adverse opinion or a disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles. During the fiscal years ended December 31, 2002 and December 31, 2001, there were no disagreements between United Bancorp and Crowe Chizek on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Crowe Chizek, would have caused it to make reference to the subject matter of the disagreement in connection with its reports. During the fiscal years ended December 31, 2002 and December 31, 2001, there were no reportable events as defined in Item 304(a)(1)(v) of SEC Regulation S-K.

OTHER BUSINESS

Management is not aware of any other matter which may be presented for action at the meeting other than the matters set forth herein. Should any matter other than those set forth herein be presented for a vote of the shareholders, the proxy in the enclosed form directs the persons voting such proxy to vote in accordance with their judgement.

ANNUAL REPORT TO SHAREHOLDERS

United Bancorp's Annual Report for its fiscal year ended December 31, 2003 accompanies this Proxy Statement but is not part of our proxy soliciting material. You may obtain additional copies of our Annual Report by requesting them from Norman F. Assenza, Jr., United Bancorp's Secretary.

WE URGE YOU TO SIGN AND RETURN THE ENCLOSED PROXY FORM AS PROMPTLY AS POSSIBLE OR VOTE VIA PHONE OR INTERNET WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON.

ANNEX A

UNITED BANCORP, INC.
AUDIT COMMITTEE CHARTER

STATEMENT OF POLICY

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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 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.
- 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.
- 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.
- At least 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.

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.

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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.

QUALIFICATIONS

The audit committee shall be composed entirely of independent directors, determined by the board of directors under the United Bancorp Corporate Governance Guidelines. The members of the audit committee, as determined by the board of directors, shall also meet the independence and financial expertise requirements of The Nasdaq Stock Market for audit committee members. At least one member of the audit committee will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in the member's financial sophistication.

INDEPENDENT AUDITORS

The independent auditor shall be engaged by and accountable to the audit committee. The independent auditor will 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 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.

The audit committee shall, on an annual basis, obtain from the independent auditor a written disclosure delineating all of its relationships and professional services as required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees. 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. Additionally, 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 auditor's qualifications, performance and independence. The audit committee shall consider

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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 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.

The audit committee will have complete oversight of the work done by the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including resolution of any disagreement between management and the independent auditor regarding financial reporting.

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

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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 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.

PROXY ANNUAL MEETING UNITED BANCORP, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The undersigned hereby appoint Mr. John M. Hoopingarner, Mr. Terry A. McGhee and Mr. Richard L. Riesbeck as Proxies, each with the power to appoint his substitute, and hereby authorize each of them to represent and to vote, as designated below, all the common shares of United Bancorp, Inc. held of record by the undersigned on March 9, 2004, at the Annual Meeting of Shareholders to be held on April 21, 2004, or any adjournment thereof.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF THE DIRECTORS NOMINATED BY THE BOARD OF DIRECTORS. THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THE PROXY WILL BE VOTED "FOR" THE ELECTION OF THE DIRECTORS NOMINATED BY THE BOARD OF DIRECTORS.

PROXY VOTING INSTRUCTIONS

TO VOTE BY MAIL

Please date, sign and mail your proxy card in the envelope provided as soon as possible.

TO VOTE BY TELEPHONE (TOUCH-TONE PHONE ONLY)

Please call toll-free 1-800-PROXIES and follow the instructions. Have your control number and the proxy card available when you access the web page.

TO VOTE BY INTERNET

Please access the web page at "www.voteproxy.com and follow the on-screen instructions. Have your control number available when you access the web page.

YOUR CONTROL NUMBER IS _____.

1. TO ELECT AS DIRECTORS THE NOMINEES SET FORTH BELOW:

- [] FOR all of the nominees listed below (except as marked to the [] WITHHOLD AUTHORITY to vote for all of the nominees

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contrary below).

listed below.

INSTRUCTION: To withhold authority to vote for any individual nominee, strike a line through the nominee's name in the list below:

Michael J. Arciello
Terry A. McGhee
L.E. Richardson, Jr.

2. Upon the direction of the Board of Directors, the proxy holders are authorized to vote upon such other business as may properly come before the Annual Meeting.

Date: _____, 2004

NOTE: Please sign exactly as name appears above. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

YOUR VOTE IS IMPORTANT. PLEASE MAKE, SIGN, DATE AND MAIL THIS PROXY FORM WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING.

A RETURN ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE.