

**REPUBLIC AIRWAYS HOLDINGS INC.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER**

It is the objective of the Audit Committee of the Board of Directors of Republic Airways Holdings Inc. (“Republic” or the “Company”) to provide assistance to the corporate directors in fulfilling fiduciary responsibilities to the shareholders and investment community relating to internal controls, corporate accounting, auditing and the quality and integrity of the financial reports and reporting practices of the Company. In doing so, it is the responsibility of the Audit Committee to maintain open means of communication between the directors, the independent auditors and the financial management of the Company.

MEMBERS

The Audit Committee of the Board of Directors shall consist of at least three directors who shall be elected annually by the Board. The members shall be “independent directors,” as such term is defined in the rules and regulations of the Securities and Exchange Commission (the “SEC”) and The NASDAQ Stock Market. The members of the Audit Committee and the Chairperson shall be selected annually by the Board and serve at the pleasure of the Board. The Board may designate one or more independent directors as alternate members of the Audit Committee, who may replace any absent or disqualified member or members at any meetings of the Audit Committee. No person may be made a member of the Audit Committee if his or her service on the Audit Committee would violate any restriction on service imposed by any rule or regulation of the SEC or any securities exchange or market on which shares of the common stock of the Company are traded. All members of the Audit Committee shall have a working familiarity with basic finance and accounting practices. The Chairperson in his judgment shall communicate with the chief executive officer, chief financial officer, and the lead partner of the independent accountants.

Except for Board and Audit Committee fees, a member of the Audit Committee shall not be permitted to accept any fees paid directly or indirectly for services as a consultant, legal advisor or financial advisor or any other fees prohibited by the rules of the SEC and The NASDAQ Stock Market. In addition, no member of the Audit Committee may be an affiliated person of the Company or any of its subsidiaries. Members of the Audit Committee may receive their Board and Audit Committee fees in cash, Company stock or options or other in-kind consideration as determined by the Board or the Compensation Committee, as applicable, in addition to all other benefits that other directors of the Company receive. No director may serve on the Audit Committee, without the approval of the Board, if such director simultaneously serves on the audit committee of more than three public companies.

RESPONSIBILITIES AND PROCESSES

The primary responsibility of the Audit Committee is to oversee the Company’s accounting and financial reporting processes on behalf of the Company and the audit of the financial statements of the Company. Management is responsible for preparing the financial

statements, and the independent auditors are responsible for auditing those financial statements. The Audit Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The Audit Committee should take the appropriate actions to set the overall corporate “tone” for quality financial reporting, sound business risk practices, and ethical behavior. The following are the principal recurring processes of the Audit Committee in carrying out its oversight responsibilities.

- Recommend to the Board of Directors annually, after consultation with the Chairman of the Board of Directors, appropriate financial management, and the independent auditors to be selected by Republic as its independent auditors. The independent auditors are ultimately accountable to the Board of Directors and the Audit Committee of Republic, as representatives of the Company’s shareholders.
- Ensure that the Audit Committee receives from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Company. Discuss with the auditors their independence from management and the Company and the matters included in the written disclosures required by the Independence Standards Board. Review proposed fees and determine whether any other professional services provided by the independent auditors could adversely affect their independence.
- Meet with the independent auditors and Republic’s financial management to review the scope of the proposed external audit for the current year and the audit procedures to be utilized, and review the completed audit including any comments or recommendations of the independent auditors.
- Approve, in advance of the work being performed, the scope and fees of all audit and permissible non-audit services of the independent auditors.
- Evaluate with the Company’s Controller, the independent auditors and Republic’s financial management, together and separately, the adequacy and effectiveness of the Company’s internal administrative, business process, accounting and financial controls, and elicit any recommendations to correct any material weaknesses in such controls.
- With counsel, appropriate financial management, and the independent auditors, review programs being maintained by management with respect to compliance with laws and regulations relating to financial matters.
- Review with management and the independent auditors the financial statements to be included in the Company’s Annual Report on Form 10-K, including their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. Review with the independent auditors those major accounting policy changes that could impact the Company. Also, the Audit Committee shall discuss the results of

the annual audit and any other matters required to be communicated to the Audit Committee by the independent auditors under generally accepted auditing standards.

- Review the interim financial statements with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q. Discuss the results of the quarterly review and any other matters required to be communicated to the Audit Committee by the independent auditors under generally accepted auditing standards. The chair of the Audit Committee may represent the entire committee for the purposes of this review.
- Review and approve all disclosable related-party transactions.
- Annually review major issues regarding the Company's auditing and accounting principles and practices and its presentation of financial statements, including the adequacy of internal controls and special audit steps adopted in light of material internal control deficiencies.
- Review all analyses prepared by management and the independent accountants of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any analysis of the effect of alternative generally accepted accounting principle ("GAAP") methods on the Company's financial statements and a description of any transactions as to which management obtained Statement on Auditing Standards No. 50 letters.
- The Audit Committee may investigate any matter within the scope of its duties or brought to its attention by the Board of Directors, with the power to retain outside counsel for this purpose, subject to prior approval of the Board. However, in no way is it intended that the Audit Committee shall alter the traditional roles and responsibilities of management and independent auditors with respect to internal administrative, business process and accounting controls and financial statement presentation.

MEETINGS

- The Audit Committee will meet as often as necessary but at least four times a year. The Audit Committee may meet by any means permitted in the Company's Bylaws or by law. A majority of the Audit Committee shall constitute a quorum. Minutes will be kept of all meetings.

ANNUAL EVALUATION PROCEDURES

The Audit Committee shall annually assess its performance to confirm that it is meeting its responsibilities under this Charter. In this review, the Audit Committee shall consider, among other things, (a) the appropriateness of the scope and content of this Charter, (b) the appropriateness of matters presented for information and approval, (c) the sufficiency of time for consideration of agenda items, (d) frequency and length of meetings and (e) the quality of written materials and presentations. The Audit Committee may recommend to the Board such changes to this Charter as the Audit Committee deems appropriate.

INVESTIGATIONS AND STUDIES

The Audit Committee shall have the authority and sufficient funding to retain special legal, accounting or other consultants (without seeking Board approval) to advise the Audit Committee. The Audit Committee may conduct or authorize investigations into or studies of matters within the Audit Committee's scope of responsibilities as described herein, and may retain, at the expense of the Company, independent counsel or other consultants necessary to assist the Audit Committee in any such investigations or studies. The Audit Committee shall have sole authority to negotiate and approve the fees and retention terms of such independent counsel or other consultants.

MISCELLANEOUS

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Audit Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Audit Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. This Charter, and any amendments thereto, shall be displayed on the Company's web site and a printed copy of such shall be made available to any shareholder of the Company who requests it.