

Adopted: December 11, 2004  
Revised: September 30, 2010

## NOMINATING COMMITTEE CHARTER HAWAIIAN TAX-FREE TRUST

The Nominating Committee (the “Committee”) consists of all the Independent Trustees of the Trust.

The goal of the Nominating Committee is to develop and maintain, by its selections and nominations for Trustee, a Board of high quality, independence and integrity to best serve the interests of shareholders and the Trust.

The Independent Trustees of the Trust are those Trustees who are not “interested persons” of the Trust, as that term is defined in the Investment Company Act of 1940.

The Chair of the Committee shall be the Chair of the Board of Trustees, if independent, unless another Independent Trustee is elected as Chair by the Members.

The Committee will meet as called by the Chair, but at least annually. At any meeting of the Committee a majority of its Members will constitute a quorum, and all action shall be by the majority of those present.

The Committee will determine all nominations of candidates for election to the Board of Trustees, and no person shall be elected a Trustee unless selected as a nominee by the Nominating Committee, except for nominations by shareholders as specified by applicable law. All elections of Trustees are either by shareholders or by the Board of Trustees.

Selections by the Committee will be made in accordance with the Statement of Policy for Selecting Trustees (“Statement of Policy”), attached as Appendix A. The Committee will periodically review the Statement of Policy, which may from time to time be revised by the Committee.

Although nomination of Independent Trustees is committed solely to the discretion of the Independent Trustees, as stated in the Distribution Plan of the Trust, that does not prevent the involvement of others in such nomination if the final decision on any such nomination is subject to approval by a majority of the Committee. Involvement by others shall be in a manner determined from time to time by the Committee.

The Committee will consider nominee candidates properly submitted by stockholders in accordance with applicable law, the Trust’s Declaration of Trust or By-laws, resolutions of the Board and the qualifications and procedures set forth in this Charter (including Appendix A) and the Trust’s annual proxy statement. The Committee will evaluate nominee candidates properly submitted by shareholders on the same basis as it considers and evaluates candidates recommended by other sources.

This Charter, including the Statement of Policy, will be available on the Trust’s web site at [www.aquilafunds.com](http://www.aquilafunds.com).

## APPENDIX A

### HAWAIIAN TAX-FREE TRUST STATEMENT OF POLICY FOR SELECTING TRUSTEES

The Nominating Committee of the Board of Trustees has adopted this Statement of Policy to set forth the appropriate criteria for selecting Trustees of the Trust.

#### **The Nominating Committee shall:**

##### **As to Overall Composition of the Board**

- Maintain an appropriate ratio between the Independent and Interested Trustees, in accordance with applicable laws and regulations.
- Seek Board composition providing relevant talents from a broad and diverse range of backgrounds and personal qualities consistent with those considered under “Individual Characteristics of Trustees” below.
- Seek Board composition that reflects an appropriate balance between the state-specific nature of the Trust and the participation of its Trustees on boards of related funds, by giving appropriate consideration to
  - Nominees’ state-specific knowledge, involvement and residence.
  - Nominees’ service and experience as Trustees of related funds.

##### **As to Individual Characteristics of Trustees:**

- Nominate as Trustees people with the broad and relevant experience, sound judgment and conscientious attitude needed to discharge the duties of Trustees.
- Consider as candidates people who have personal qualities and traits that facilitate forthright, articulate, objective and thoughtful dialogue among Trustees, management and shareholders.
- Consider persons whose professional experience and community profile can be expected to enhance investor confidence in the Trust and the stature of the Board.
- Seek as new Trustees those who will be capable of serving for a substantial period.
- Seek as nominees those who will actively prepare for and participate in person in the exercise of the Board’s responsibilities, including the Board’s self-evaluation.

## **As to the Respective Roles of Independent and Interested Trustees**

### **For Independent Trustees:**

- Select nominees who will exercise sound and realistic business judgment representing the interests of shareholders in the oversight of the Trust.
- Expect that because of potentially divergent interests of other entities participating in the affairs of the Trust, Independent Trustees will play a role which, while active, participatory and collegial, will also be diligent and if necessary adversarial in pursuing the best interests of the Trust and the shareholders.
- Consider, as appropriate, nominating candidates for the office of Independent Trustee with specific qualifications as conditions change.
- Select individuals who not only qualify as not being “interested persons” under the Investment Company Act of 1940, but also qualify under two additional requirements which are similar but not identical:
  - The requirement of the Distribution Plan of the Trust, that it be approved initially, and annually thereafter, by the Trustees who are Independent Trustees and “have no direct or indirect financial interest in the operation of the plan or in any agreements related to the plan”; and
  - The requirement under the Sarbanes-Oxley Act of 2003 that members of the Audit Committee, which in the case of the Trust consists of all Independent Trustees of the Trust, do not accept any consulting, advisory, or other compensatory fee from the Trust.

### **For Interested Trustees:**

- Select nominees, while applying those standards applicable to all Trustees,
  - Who may be expected fairly and reasonably to benefit Board deliberations by reason of intensive knowledge of and responsibility for the operations of the Trust and its service providers; or
  - Who otherwise bring special and relevant qualifications or talents to the Board.

### **Unsolicited Nominations**

- Any nomination by shareholders shall be sent to the Trust at its principal address for the attention of the Chair of the Nominating Committee. Nominations shall include the following information:
  - Name, address and share ownership documentation concerning the shareholder of record making the nomination and, if applicable, documentation demonstrating that the nomination is being made on behalf of a beneficial owner of shares.

- Name of the person being nominated and a description of the candidate's qualifications as identified in the above section.
- In order for a candidate to be considered for election
  - at an annual meeting, if any, of shareholders in any year, an unsolicited nomination of that candidate must be received by the Trust by a date not later than the 120<sup>th</sup> calendar day before the first anniversary of the date of the registrants proxy statement released to security holders in connection with the previous year's annual meeting, if any; or
  - If for any reason there has not been and shall not be annual meetings of shareholders permitting the Nominating Committee to apply the immediately preceding procedure, then the procedural requirements and timing to be applied shall be as determined by the Nominating Committee.
- Each candidate for independent Trustee may be required to complete the Trust's questionnaire to confirm that the candidate would be considered an independent trustee, as deemed appropriate at the discretion of the Nominating Committee.
- Each candidate shall provide the Nominating Committee with such other information as it may deem necessary or appropriate, including information for possible use in proxy statements or other disclosure by the Trust.
- Each candidate may be interviewed by a member of the Nominating Committee, as deemed appropriate by the Nominating Committee.
- Once these steps are completed and the Nominating Committee has completed its consideration of the candidate(s), the candidate(s) shall be promptly notified of the disposition by the Chair of the Nominating Committee.

In considering nominations for election to the Board of Trustees the Nominating Committee shall, when appropriate:

- Seek to identify possible candidates by soliciting recommendations from a broad range of participants involved in and knowledgeable about funds and board oversight, including Board members, management, community leaders and shareholders.
- Interview and otherwise screen candidates for Independent Trustee of the Trust, including fitness as to specific qualifications needed, and present nominations to the Board for election by the Board or by the shareholders, as the case may be.