

NOMINATING COMMITTEE CHARTER

for each

**AQUILA TRUST
listed on Appendix A (a “Trust”)**

As of June 7, 2013

This document serves as the Charter for the Nominating Committee (the “Committee”) of the Board of Trustees of each Trust listed on Appendix A hereto (each, a “Trust”) and, if applicable, each series thereof (each, a “Fund”).

The Committee consists only of Independent Trustees, and except as otherwise determined by the Board 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 of the Trust and, if applicable, each Fund thereof.

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 of the Committee.

The Committee will meet as called by the Chair. 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 B. The Committee will periodically review the Statement of Policy, which may from time to time be revised by the Committee and recommended to the Board for approval.

Nomination of Independent Trustees is committed solely to the discretion of the Independent Trustees, as stated in the Distribution Plan of the Trust, or, if applicable, each Fund thereof. Consistent with that requirement, the Nominating Committee may consider input from other sources in connection with the nominating process. The Committee will consider nominee candidates properly submitted by shareholders 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 B) and, if applicable, the Trust’s proxy statement for the election of Trustees. 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 Nominating Committee Charter, including the Statement of Policy, is available on www.aquilafunds.com.

AQUILA TRUSTS

**Aquila Municipal Trust and each series thereof
Aquila Funds Trust and each series thereof
Hawaiian Tax-Free Trust**

**STATEMENT OF POLICY
FOR SELECTING TRUSTEES**

The Nominating Committee of the Board of Trustees has recommended, and the full 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, business and/or professional experiences and contributions and personal qualities consistent with those considered under “Individual Characteristics of Trustees” below.
- Seek Board composition that reflects an appropriate balance, by giving consideration to, where appropriate, the nominee’s state-specific knowledge, involvement and residence as well as the nominee’s service, contributions and Board experience, including as a Trustee of any of the other funds in the Aquila Group of Funds.

As to Individual Characteristics of Trustees:

- Consider 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 experience, background and, as appropriate, state profile and contributions can be expected to enhance investor confidence in the Trust and the Board. Mutual fund trustee and/or other significant experience on other boards are desirable.
- 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 all Board meetings and related activities.

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 and, if applicable, each Fund thereof.
- Expect that because of potentially divergent interests of other entities participating in the affairs of the Trust and/or its Funds, if any, Independent Trustees will play a role which, while active, participatory and collegial, will also be diligent and firmly independent in pursuing the best interests of the Trust and its 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 consistent with other regulatory requirements.

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, if applicable, each Fund thereof, and its or their, as applicable, 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, share ownership and length of time as shareholder 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, address, share ownership and length of time as a shareholder 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 120th calendar

day before the anniversary of the date of the Trust's proxy statement released to security holders in connection with the next previous annual meeting, if any, or

- if there has not been and shall not be annual meetings of shareholders permitting the Nominating Committee to apply the immediately preceding procedure, or if the scheduled date of the annual meeting is 30 days or more distant from the anniversary of the next previous meeting, 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.