

Invesco Perpetual UK Smaller Companies Investment Trust plc

20 January 2011

Mr C Fletcher
Director
Invesco Perpetual UK Smaller Companies Investment Trust plc
30 Finsbury Square
London
EC2A 1 AG

Dear Christopher,

Letter of Appointment

Appointment

You were appointed to the Board on 1 December 2010 and your election will need to be approved by shareholders at the Company's Annual General Meeting ('AGM') in 2011. In accordance with the requirement for all Directors to retire after three years in office, your appointment will terminate at the time of the AGM in 2014 but may then be renewed for a further three years if both you and the Board agree. Any Director serving on the Board for longer than nine years will be subject to annual re-election, as will be any Director considered not independent under the Listing Rules.

The Articles of Association and Directors' Tenure Policy adopted by the Company set out certain provisions relating to the termination of Directors' appointments, including provisions under which you will be required from time to time to retire at the AGMs of the Company. Any Director not re-elected at an AGM would obviously cease immediately to be a Director of the Company.

Role

You have been appointed as a non-executive Director. As a member of the Board you will be responsible, with your fellow Directors, for the direction of the Company and for the monitoring of the performance of the Managers and the other suppliers of services to the Company. Furthermore, you should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. As your duties are of an entirely non-executive nature, you have no individual authority to bind the Company, or any subsidiary, without specific Board or Board Committee approval.

Registered Office
30 Finsbury Square, London, EC2A 1AG
Telephone: 020 7065 4000
Facsimile: 020 7065 3166

Registered in England No 2129187
An Investment Company under Section 833
of the Companies Act 2006

In carrying out your duties as a non-executive Director of the Company you will comply with the Companies Act 2006 and by countersigning this letter you confirm that you are aware of your duties under the Companies Act 2006 and have understood these.

You serve on the Audit Committee, which will meet at least three times a year, usually in March, September and December, and you serve on our Management Engagement Committee. The Board as a whole undertakes the responsibilities which would otherwise be assumed by a Remuneration Committee.

Time Commitment

Overall, we anticipate a time commitment of some 10 days per annum. This will include attendance at Board and Committee meetings, the AGM and meetings with the Managers and/or Shareholders, where necessary. In addition, you will be expected to devote appropriate time ahead of each meeting.

In accepting your appointment, you confirm that you are able to allocate sufficient time to meet the expectations of your role. My agreement or, in my absence, that of another Director should be sought before accepting additional commitments that might impact on the time you are able to provide to your role as a non-executive Director of the Company.

Fees

You will be entitled to an annual Director's fee of £17,000 per annum, payable quarterly in arrears, which is reviewed periodically. The Company will also reimburse you for any reasonable and properly documented expenses incurred in the performance of your duties.

Outside Interests

It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to both myself and the Company Secretary as soon as apparent.

Confidentiality

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from me or, in my absence, another Director of the Company.

Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from me or the Company Secretary.

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Share Purchases and Sales

You will comply with the UK Listing Authority's Listing Rules (including the Model Code on Directors' dealings in securities) and the Disclosure and Transparency Rules.

Please note that under the continuing obligations for listed companies you are required to seek approval for any share purchases or sales for yourself or related parties from myself as Chairman, whom failing, another Director, before the deal is struck. The Company Secretary holds an authorisation form, which documents approval. You should notify the Company Secretary within 4 business days of any share purchase or sale. The Company Secretary is also under an obligation to make an announcement to the market within 24 hours of a deal being notified to them and would therefore need to be informed of the details within that timescale.

It is important to note that during a close period, related parties cannot purchase or sell shares. A detailed Policy has been supplied to you and is also available from the Company Secretary.

Review Process

The performance of individual Directors and of the whole Board and its Committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with me as soon as possible.

Insurance

The Company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of your appointment.

The Company will also offer you the benefit of additional protection under an individual Deed of Indemnity.

Independent Professional Advice

Occasions may arise in which it will be necessary for you to seek professional advice from independent advisors about the performance of your duties, at the Company's expense. A provision has been agreed whereby advice can be taken up to a cost of £5,000 without recourse to the Board. This could, of course, be a little awkward and in that situation you might find it helpful to discuss the issue with one of your non-executive colleagues or myself, in advance, should you think it appropriate.

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I trust that the foregoing accurately records the terms of your appointment and, if you agree, I shall be grateful if you will sign and return to me a copy of this letter which is enclosed for that purpose.

With kind regards,

Ian Barby
Chairman

Confirmed

Christopher Fletcher
Director

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