

SKILLED Group

SKILLED GROUP LIMITED
ACN 005 585 811

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
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000001 000 SKE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Shareholder,

I have pleasure in inviting you to attend our Annual General Meeting and enclose the Notice of Meeting which outlines the items of business. The meeting will be held at Melbourne Town Hall, (Swanston Room, Ground Floor), Swanston Walk, Melbourne (between Collins & Little Collins Streets) and commences at 11.00am on Wednesday 21 October 2009.

If you are attending this meeting, please bring this letter with you to facilitate registration at the meeting.

If you are unable to attend the meeting, you are encouraged to complete the enclosed proxy form. The proxy form should be posted to our share registry or faxed on (61 3) 9473 2555 so that it is received by 11.00am on Monday 19 October 2009.

Corporate shareholders will be required to complete a "Certificate of Appointment of Representative" to enable a person to attend on their behalf. A certificate form may be obtained from the Company's share registry.

We have again created an opportunity for shareholders to submit written questions in advance of the AGM. These can be addressed for either the Board or the Auditor to respond to. Questions can be emailed to our Company Secretary (bmaher@skilled.com.au) or by fax (61 3 8646 6447). We ask that all questions be submitted by close of business on Tuesday 13 October. Relevant questions will be addressed at the AGM and responses made available after the meeting on the Company's web-site (www.skilledgroup.com.au). We believe this initiative will enhance shareholder access to information about the Company and contribute to the efficient conduct of the AGM.

After the meeting light refreshments will be served, at which time you will have an opportunity to meet Directors and Management in a more informal atmosphere.

I look forward to meeting many of our Shareholders at the meeting.

Yours sincerely,



Ken V. Loughnan AO
Chairman

15 September 2009
Enc

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of the Company will be held at Melbourne Town Hall, Swanston Walk, Melbourne, Victoria, at 11.00am on Wednesday 21 October 2009.

BUSINESS TO BE CONDUCTED

1. Financial Statements and Reports

To consider the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2009.

2. Adoption of Remuneration Report

To adopt the Remuneration Report for the financial year ended 30 June 2009.

(Note that the vote on this item is advisory only and does not bind the Directors or the Company.)

3. Election of Directors

To consider and, if thought fit, to pass the following as ordinary resolutions:

- (a) "That Mr K.V. Loughnan AO, having retired in accordance with Clause 14.3 of the Company's Constitution, be re-elected as a Director."
- (b) "That Mr T.B. Janes, having retired in accordance with Clause 14.3 of the Company's Constitution, be re-elected as a Director."
- (c) That Mr P.A. Gregg, who was appointed as a Director since the last Annual General Meeting, having retired in accordance with 14.1 of the Company's Constitution, be re-elected as a Director.

4. Approval of the Grant of Options to Executive Directors

To consider and, if thought fit, to pass the following as ordinary resolutions:

- (a) "That, for the purposes of ASX Listing Rule 10.14, approval be given to grant up to 380,000 options to Mr G.M. Hargrave, to acquire fully paid ordinary shares in the Company pursuant to the Skilled Group Executive Long Term Incentive Plan upon the terms set out in the Explanatory Notes."
- (b) "That, for the purposes of ASX Listing Rule 10.14, approval be given to grant up to 220,000 options to Mr J.B. Dixon, to acquire fully paid ordinary shares in the Company pursuant to the Skilled Group Executive Long Term Incentive Plan upon the terms set out in the Explanatory Notes."
- (c) "That, for the purposes of ASX Listing Rule 10.14, approval be given to grant up to 165,000 options to Mr T.B. Janes, to acquire fully paid ordinary shares in the Company pursuant to the Skilled Group Executive Long Term Incentive Plan upon the terms set out in the Explanatory Notes."

Voting restriction:

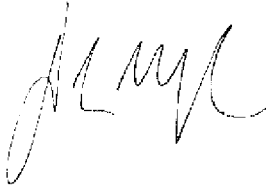
- (a) The Company will disregard any votes cast on the resolutions in Item 4 by any Executive Director of the Company or any of his associates, unless the vote is cast:
- (b) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form specifying how the proxy is to vote; or
- (c) by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Other Business

To deal with any other business that may be brought forward in accordance with the Constitution or the Corporations Act.

Dated this 15 day of September 2009.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'B. Maher', written in a cursive style.

Brendan Maher
Company Secretary

Voting Entitlements

The Board has determined that a shareholder's voting entitlement at the meeting will be taken to be the entitlement of those persons recorded on the register of members as at 7.00pm on Monday 19 October 2009.

Proxies

1. A member entitled to attend and vote at this meeting is entitled to appoint no more than two proxies (who need not be members of the Company) to attend and vote in his or her place.
2. A single proxy exercises all voting rights.
3. A member appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints two proxies and does not specify each proxy's proportion (or number) of voting rights, the rights are deemed to be 50 percent each. Fractions of votes will be disregarded.

The Proxy Form must be received by 11.00am on Monday 19 October 2009, and be lodged:

Online: www.investorvote.com.au

By Fax: Australia 1800 783 447
Overseas +61 3 9473 2555

In Person: Registered Office: Level 15, 380 St Kilda Road, Melbourne, Victoria, 3004
Share Registry: Computershare Investor Services Pty Limited,
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067

By Mail: Registered Office: Level 15, 380 St Kilda Road, Melbourne, Victoria, 3004
Share Registry: Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, Victoria, 3001

Custodian voting: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Explanatory Notes

Item 1 – Financial Statements and Reports

During this item there will be an opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2009.

Shareholders will be provided the opportunity to ask questions about these reports or about the Company generally.

Shareholders also have the right to question the auditors in connection with such matters as the Auditor's Report or the conduct of the audit. Written questions must be submitted no later than 5 business days before the AGM and they and the answers will be available at and after the meeting.

There will be no formal resolution in respect to this Item.

Item 2 – Adoption of Remuneration Report

During this item there will be an opportunity for shareholders to ask questions and comment on the Remuneration Report which is included as part of the Directors' Report in the 2009 Annual Report.

The Board considers that the Company's remuneration policies are structured to provide rewards based on its performance and competitive with those in the markets in which it operates. On that basis, and with each executive director acknowledging their personal interest, the Board recommends that shareholders vote in favour of this resolution.

The Corporations Act requires that shareholders vote on the adoption of the Remuneration Report. The vote is advisory only and will not bind the Directors or the Company.

Item 3 – Election of Directors

Ken V. Loughnan AO, Age 62
DipAcct, FCPA, FAIM, FAICD

Independent Non-Executive Director

Appointed to the Board as Chairman in May 1994, he has been a director for 15 years.

Chairman of the Nomination Committee and a member of the Remuneration Committee and Audit Committee.

Skills and experience

Ken Loughnan has a strong, top management background and extensive experience in human resource management and finance in the technology sector. He is a former Managing Director and Chief Executive Officer of Telecom Australia (International) Ltd.

Current directorships and offices

Commissioner, Victorian Commission for Gambling Regulation (since October 2008)
Deputy Chair, Victorian State Emergency Telecommunications & Technology Steering Committee (since February 2008)
Deputy Chair, Victorian Defence Industry Advisory Council (since July 2007)
Chairman, OTEK Australia Pty Ltd (since May 1997)
National Chairman Variety Australia, The Children's Charity (since April 2007)
International Vice President, Variety International (since April 2007)
Chairman, Victoria University Foundation (since February 2008)
Member, Victoria University Council (since October 2003)
Member, Advisory Committee, Centre for International Corporate Governance Research (CICGR) (since June 1999)
Chairman, Management Programs Advisory Board, Victoria University (since April 1992)

Terry Janes, Age 56
BComm FCPA, CFTP, Wharton AMP

Executive Director and Chief Financial Officer

Appointed CFO and a Director of the Board in July 1998, he has served as a director for 11 years.

Skills and experience

Terry Janes joined SKILLED Group as Chief Financial Officer in 1998 and has overall responsibility for the finance, accounting, tax, treasury and risk management functions. Mr Janes has held a wide range of senior finance roles and before joining SKILLED was the CFO for major operating divisions in the steel and minerals business at BHP.

Peter A. Gregg, Age 54
B.Ec., FFTP, MAICD

Independent Non-Executive Director

Appointed to the Board in March 2009.

A member of the Audit Committee and Remuneration Committee.

Skills and experience

Peter has extensive experience in finance, strategy, risk management and investor relations. He is a former Director, Chief Financial Officer and Executive General Manager Strategy of Qantas Airways Limited. Prior to joining Qantas, Peter was Treasurer at Australian Airlines and worked in various risk management roles for the Queensland Government.

Current directorships and offices

Director: Queensland Rail (since May 2009)
Non-executive director: Leighton Holdings Ltd (since July 2006)
Director: Stanwell Corporation Ltd (since July 2006)

Item 4 – Approval of the Grant of Options to Executive Directors

The Long Term Incentive Plan (LTI Plan) arrangements for executives have been reviewed to ensure SKILLED Group has the most effective reward mix in place particularly in light of the changing legislative environment and economic conditions. This plan will provide a simpler and more targeted basis of allocation of LTI's.

As with the previous plan, this new LTI Plan is designed to link the reward of selected individuals who have the capacity to influence the long term performance of the Group with the generation of shareholder wealth.

The primary objectives of the new LTI Plan continue to:

- align the interests of executives with the interests of shareholders;
- ensure that executive remuneration is competitive and aligned with remuneration in the Australian market; and
- encourage the achievement of performance goals and growth of the Company's business.

Under the LTI Plan, the Company may grant eligible executives awards in the form of performance rights, options or cash, or a combination of those awards. It is proposed that an initial award under the LTI Plan will be made to:

- certain key executives, including the Executive Directors, comprising 50% grant of options and 50% cash; and
- other executives comprising 50% performance rights and 50% cash.

Why is shareholder approval required?

Under ASX Listing Rule 10.14, shareholder approval is required in order for a director of a company to be issued securities under an employee incentive scheme. Accordingly, approval is sought for the grant of options to the Executive Directors of the Company, being Mr G.M. Hargrave (Managing Director and Chief Executive Officer), Mr J.B. Dixon (Chief Operating Officer / Executive Director) and Mr T.B. Janes (Chief Financial Officer / Executive Director). The cash component of the award does not require shareholder approval.

Details of grant of options to Executive Directors

A brief overview of the details of the proposed grant of options under the new LTI plan is set out below.

<p>Number of options</p>	<p>The Executive Directors will be invited to apply for a grant of options as follows:</p> <ul style="list-style-type: none"> • Mr G.M. Hargrave – up to 380,000 options • Mr J.B. Dixon – up to 220,000 options • Mr T.B. Janes – up to 165,000 options <p>The number of options has been based on their maximum entitlement. The total award (i.e. both options and cash) granted to the Executive Directors is equivalent to approximately 30 – 60% of their total fixed remuneration per annum.</p> <p>The grant to each Executive Director is conditional upon shareholder approval.</p> <p>Each option is a right to acquire one fully paid ordinary share in the Company, subject to the satisfaction of performance hurdles and payment of the exercise price.</p>															
<p>Date of grant of options</p>	<p>If shareholder approval is obtained, the options will be granted to the executives following the meeting but, in any event, within 12 months after the date of the meeting.</p>															
<p>Performance hurdles</p>	<p>The options are subject to a performance hurdle based on the Company's earnings per share (EPS) over a specified period.</p> <p>Options will vest as follows:</p> <table border="1" data-bbox="564 1339 1407 1675"> <thead> <tr> <th></th> <th>Minimum average annual % EPS growth</th> <th>% Options to vest</th> </tr> </thead> <tbody> <tr> <td>Below threshold</td> <td>-</td> <td>0%</td> </tr> <tr> <td>Threshold</td> <td>8%</td> <td>50%</td> </tr> <tr> <td>Threshold < Maximum</td> <td>-</td> <td>Pro-rata</td> </tr> <tr> <td>Maximum</td> <td>15%</td> <td>100%</td> </tr> </tbody> </table> <p>The Remuneration Committee and Board have selected EPS as a performance hurdle on the basis that it is:</p> <ul style="list-style-type: none"> • a good indicator of the Company's profitability; and • a target that executives have the ability to directly influence. 		Minimum average annual % EPS growth	% Options to vest	Below threshold	-	0%	Threshold	8%	50%	Threshold < Maximum	-	Pro-rata	Maximum	15%	100%
	Minimum average annual % EPS growth	% Options to vest														
Below threshold	-	0%														
Threshold	8%	50%														
Threshold < Maximum	-	Pro-rata														
Maximum	15%	100%														
<p>Performance period and vesting</p>	<p>The performance period is 3 years – commencing on 1 July 2009 and ending on 30 June 2012.</p> <p>There is to be no retesting of the performance hurdle. Any options which do not vest at the end of the performance period will lapse.</p> <p>If the performance hurdles are satisfied, options will vest and may be</p>															

	<p>exercised by the Executive Directors until the sixth anniversary of the grant date.</p> <p>Shares will be allocated upon exercise of the vested options and the payment of the exercise price.</p>
Trading restrictions	The LTI plan rules allow the Board to impose, at the time of the offer, further restrictions on any shares allocated upon exercise of the options.
Exercise price	<p>The exercise price for the options will be based on the average trading price of the Company's shares on the ASX over the 5 trading days immediately prior to the date of the invitation to the Executive Directors.</p> <p>No amount is payable upon the grant of the options.</p>
Change of control	The Board has discretion to determine that the vesting conditions applicable to unvested options be waived in the event of a change of control.
Cessation of employment	<p>In general, if the executive ceases employment by reason of death, disability, bona fide redundancy, retirement or other reason approved by the Board, any unvested options will be tested at the end of the applicable performance period, and vest to the extent that the performance hurdle has been satisfied.</p> <p>If the executive ceases employment by reason of resignation, dismissal for cause or for any other reason not approved by the Board, unvested options will lapse immediately.</p>
Other information	Options granted under the LTI Plan are not transferable, and participating executives are prohibited from entering into hedging arrangements in respect of unvested options.

Noting the interests of the Executive Directors, the proposed grants of options (being consistent with the grants of options to other key executives of the Company who will participate in the LTI Plan) are unanimously recommended by the non-executive directors.

Prior years Executive Incentive Plan

At the Annual General Meeting of 21 October 2008 we sought approval to grant options that would enable executive directors of SKILLED Group to acquire a maximum number of 1,593,000 fully paid shares. Specifically these were for Mr G.M. Hargrave (791,000), Mr J.B. Dixon (461,000) and Mr T.B. Janes (341,000). We confirm that those options were granted to those executive directors on 21 October 2008 pursuant to the terms of the Plan in operation for that year.

Voting Exclusion Statement

Pursuant to Listing Rules 10.14 and 14.11.1, the Company will disregard any votes cast on this resolution by:

- a) a Director of the Company; and
- b) an associate of any Director.

However, the Company may not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

000001 000 SKE
MR SAM SAMPLE
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Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11.00am Monday 19 October 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Skilled Group Limited hereby appoint

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Skilled Group Limited to be held at Melbourne Town Hall, Swanston Walk, Melbourne Victoria on Wednesday, 21st October 2009 at 11.00am and at any adjournment of that meeting.

Important for Items 4a, 4b & 4c: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Items 4a, 4b & 4c below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 4a, 4b & 4c and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 4a, 4b & 4c of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Item 2 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3a Re-election of Mr K V Loughnan AO as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3b Re-election of Mr T B Janes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3c Re-election of Mr P A Gregg as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4a Approval of the Grant of Options to Mr G M Hargrave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4b Approval of the Grant of Options to Mr J B Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4c Approval of the Grant of Options to Mr T B Janes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____