

SKILLSOFT PUBLIC LIMITED CO

Form PRE 14A

July 06, 2004

Table of Contents

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

SKILLSOFT PUBLIC LIMITED COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials:

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

SKILLSOFT PUBLIC LIMITED COMPANY

(REGISTERED IN IRELAND NO. 148294)

NOTICE OF ANNUAL GENERAL MEETING

Notice is Hereby Given that the ANNUAL GENERAL MEETING of SkillSoft Public Limited Company (the Company), a corporation organized under the laws of Ireland, will be held at Binchys Solicitors, 40 Lower Baggot Street, Dublin 2, Ireland on August 27, 2004, at 8:00 a.m., local time (the Meeting), for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and consider the consolidated financial statements of the Company for the fiscal year ended January 31, 2004 and the Report of the Directors and Auditor thereon. (Resolution 1)
2. By separate resolutions to re-elect as directors the following persons, each of whom retires by rotation and, being eligible, offers himself for re-election in accordance with the Company's Articles of Association.
 - (A) Mr. James Krzywicki (Resolution 2(A))
 - (B) Dr. Ferdinand von Prondzynski (Resolution 2(B))
3. To elect as a director Mr. William F. Meagher, Jr., who was appointed as a director in March 2004. (Resolution 3)
4. To authorize the Audit Committee of the Board of Directors to fix the remuneration of the Company's auditor and reporting accountants for the fiscal year ending January 31, 2005. (Resolution 4)

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions.

5. THAT the Company's 2004 Employee Share Purchase Plan (the 2004 ESPP) be and it is hereby adopted, that a total of 2,500,000 ordinary shares of 0.11 each be reserved for issuance thereunder and that the directors of the Company be and they are hereby authorized to do all such acts and things as they may consider necessary or expedient to establish and carry into effect the 2004 ESPP with such amendments as may be made by them in accordance with the rules of the 2004 ESPP and that each director be authorized to vote and be counted in the quorum on any matter in connection with the 2004 ESPP notwithstanding any interest he may have therein (except that no director may vote or be counted in a quorum with respect to any action of the Board of Directors related to such director's participation in the 2004 ESPP) and that any prohibition contained in the Articles of Association of the Company from time to time on a director voting or being counted in a quorum be and is hereby relaxed to that extent accordingly. (Resolution 5)
 6. THAT, subject to compliance with all applicable laws, the terms of a share repurchase agreement proposed to be entered into between the Company and Credit Suisse First Boston LLC relating to the purchase by the Company of up to 5,000,000 of its own ordinary shares (represented by American Depositary Shares (ADSs)), a copy of which agreement has been available for inspection by the members of the Company in accordance with Section 213 (5) of the Companies Act, 1990 (the 1990 Act), be and the same hereby are approved and authorized for the purposes of Part XI of the 1990 Act, provided that this authority shall expire at the close of business on February 27, 2006 unless previously renewed, varied or revoked in accordance with Section 213 of the 1990 Act. The Company shall be entitled under such authority or under any renewal thereof to enter into, at any time prior to the expiry of such authority, a contract of purchase, which would or might be wholly executed after such expiry, and may complete any such contract as if the authority hereby conferred had
-

Table of Contents

not expired. All ordinary shares (represented by ADSs) repurchased by the Company pursuant to the share repurchase agreement shall be cancelled upon their repurchase. (Resolution 6)

To conduct any other ordinary business of the Company as may properly come before the Meeting.

By Order of the Board

CHARLES E. MORAN
Chief Executive Officer

July 26, 2004

Registered Office:

Belfield Office Park
Clonskeagh
Dublin 4
Ireland

Table of Contents

NOTES:

1. The foregoing items of business are more fully described in the proxy statement accompanying this Notice. You are urged to read the proxy statement carefully.

2. Those holders of ordinary shares whose names appear in the Register of Members of the Company (Members) on the date the proxy statement is dispatched to shareholders are entitled to receive notice of the Meeting or any adjournment of the Meeting. In addition, Members on the date of the Meeting are entitled to attend and vote at the Meeting and any adjournment of the Meeting.

3. Holders of the Company s ADSs may not vote at the Meeting; however, The Bank of New York, as depositary for the ordinary shares underlying and represented by the ADSs, has the right to vote all of the ordinary shares represented by ADSs, subject to certain limitations described in the proxy statement. Voting of the ADSs is more fully described in the proxy statement accompanying this Notice. The Bank of New York has set July 16, 2004, which is the same date as the record date set by the Company, as the record date for the determination of those holders of American Depositary Receipts representing such ADSs entitled to give instructions for the exercise of voting rights at the Meeting or any adjournment of the Meeting.

4. A Member entitled to attend and vote at the Meeting may appoint a proxy or proxies to attend, speak and vote in his, her or its place. A proxy does not need to be a Member of the Company. To be valid, proxy forms must be deposited with the Company s Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland not later than 8:00 a.m. on August 25, 2004. A Member is not precluded from attending the Meeting and from speaking or voting at the Meeting even if the Member has completed a proxy form.

5. The Register of Directors Interests and particulars of directors transactions in the share capital of the Company and its subsidiary companies required to be kept under section 59 of the Companies Act, 1990 will be available for inspection at the Meeting from 7:45 a.m. until the conclusion of the Meeting. Otherwise they will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and Irish public holidays excluded) from the date of this Notice until the date of the Meeting.

6. A copy of the proposed share repurchase agreement will be on display at the registered office of the Company and available for inspection by Members for the 21 days immediately preceding the Meeting, and will be available for inspection at the Meeting itself.

YOUR VOTE IS IMPORTANT

TO ENSURE YOUR REPRESENTATION AT THE MEETING, YOU ARE REQUESTED TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY FORM AS PROMPTLY AS POSSIBLE AND RETURN IT IN THE POSTAGE PREPAID ENVELOPE ENCLOSED FOR THAT PURPOSE. IF YOU ATTEND THE MEETING, YOU MAY VOTE IN PERSON EVEN IF YOU HAVE RETURNED A PROXY.

Table of Contents

TABLE OF CONTENTS

<u>GENERAL INFORMATION CONCERNING THE ANNUAL GENERAL MEETING</u>	1
<u>General</u>	1
<u>Record Date</u>	1
<u>Quorum</u>	1
<u>Voting of Ordinary Shares</u>	2
<u>Voting of ADSs</u>	2
<u>Expenses of Solicitation of Proxies</u>	5
<u>Revocability of Proxies</u>	5
<u>Security Ownership of Certain Beneficial Owners and Management</u>	6
<u>BOARD OF DIRECTORS AND CORPORATE GOVERNANCE INFORMATION</u>	9
<u>Corporate Governance Guidelines</u>	9
<u>Members of the Board of Directors</u>	9
<u>Determination of Independence</u>	10
<u>Director Candidates</u>	11
<u>Board Committees</u>	11
<u>Attendance by Members of the Board of Directors at Meetings</u>	13
<u>Shareholder Communications</u>	13
<u>Code of Business Conduct and Ethics</u>	14
<u>Directors Compensation</u>	14
<u>Report of the Audit Committee of the Board of Directors</u>	15
<u>EXECUTIVE COMPENSATION AND RELATED MATTERS</u>	16
<u>Executive Compensation</u>	16
<u>Equity Compensation Plan Information</u>	18
<u>Employment Agreements</u>	19
<u>Compensation Committee Interlocks and Insider Participation</u>	21
<u>Report of the Compensation Committee of the Board of Directors on Executive Compensation</u>	21
<u>Stock Performance Graph</u>	24
<u>PROPOSAL ONE RECEIVE AND CONSIDER THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FISCAL Year Ended JANUARY 31, 2004 AND THE REPORT OF THE DIRECTORS AND AUDITOR THEREON</u>	25
<u>General</u>	25
<u>Proposal One Vote Required</u>	25
<u>PROPOSAL TWO (A) AND TWO (B) RE-ELECTION OF DIRECTORS</u>	26
<u>General</u>	26
<u>Proposal Two (A) Vote Required</u>	26
<u>Proposal Two (B) Vote Required</u>	26
<u>PROPOSAL THREE ELECTION OF DIRECTOR</u>	27
<u>General</u>	27
<u>Proposal Three Vote Required</u>	27

Table of Contents

<u>PROPOSAL FOUR AUTHORIZATION OF AUDIT COMMITTEE TO FIX THE REMUNERATION OF THE COMPANY S AUDITOR AND REPORTING ACCOUNTANTS</u>	28
<u>General</u>	28
<u>Proposal Four Vote Required</u>	28
<u>Fees Billed for Services Rendered by Ernst & Young</u>	28
<u>Pre-Approval Policies and Procedures</u>	29
<u>PROPOSAL FIVE ADOPTION OF THE 2004 EMPLOYEE SHARE PURCHASE PLAN</u>	30
<u>General</u>	30
<u>Proposal Five Vote Required</u>	30
<u>Summary of the 2004 Employee Share Purchase Plan</u>	30
<u>Federal Income Tax Consequences</u>	31
<u>Participation in the 1995 Employee Share Purchase Plan</u>	32
<u>PROPOSAL SIX SHARE REPURCHASE PROPOSAL</u>	33
<u>General</u>	33
<u>Proposal Six Vote Required</u>	33
<u>Summary of The Share Repurchase Proposal</u>	33
<u>OTHER MATTERS</u>	34
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	34
<u>Other Business</u>	34
<u>Shareholder Proposals To Be Presented at the 2005 Annual General Meeting</u>	35
<u>Important Notice Regarding Delivery of Security Holder Documents</u>	35

Table of Contents

SKILLSOFT PUBLIC LIMITED COMPANY

Belfield Office Park

**Clonskeagh
Dublin 4, Ireland**

PROXY STATEMENT

GENERAL INFORMATION CONCERNING THE ANNUAL GENERAL MEETING

General

The enclosed proxy is solicited on behalf of SkillSoft Public Limited Company (the Company) for use at the Annual General Meeting of Shareholders to be held on August 27, 2004 at Binchys Solicitors, 40 Lower Baggot Street, Dublin 2, Ireland at 8:00 a.m., local time, or at any adjournment of the Annual General Meeting, for the purposes set forth in the accompanying Notice of Annual General Meeting.

These proxy solicitation materials were first mailed on or about July 26, 2004 to ADS holders and to all ordinary shareholders entitled to attend and vote at the Annual General Meeting as of such date.

Record Date

Record Date for Holders of the Company's Ordinary Shares. Holders of the Company's ordinary shares, or Members, whose names appear in the Register of Members, maintained by the Company's registrars, Computershare Investor Services (Ireland) Limited, on the date the proxy statement is mailed to Members are entitled to receive notice of the Annual General Meeting or any adjournment of the Annual General Meeting. In addition, any person who is a Member on the date of the Annual General Meeting is entitled to attend and vote at the Annual General Meeting and any adjournment of the Annual General Meeting.

Record Date for Holders of the Company's ADSs. The Bank of New York, as the registrar and transfer agent for the Company's ADSs, as well as the depository for the Company's ordinary shares represented by the ADSs, has fixed the close of business on July 16, 2004, which date is the same as the record date set by the Company, as the record date for determining the ADS holders entitled to give instructions for the exercise of voting rights at the Annual General Meeting and any adjournment of the Annual General Meeting.

As of June 29, 2004, there were 105,685,734 of the Company's ordinary shares, par value 0.11 per share, issued and outstanding held by approximately 11 holders of record. As of June 29, 2004, there were 105,626,489 of the Company's ADSs issued and outstanding. Each ADS represents one ordinary share. The ADSs are quoted on the NASDAQ National Market under the symbol SKIL. As of June 29, 2004, there were approximately 375 registered holders of the Company's ADSs. The ordinary shares represented by the ADSs are owned of record by AIB Custodial Nominees Limited on behalf of The Bank of New York.

Quorum

To conduct business at the Annual General Meeting, a quorum must be present. The Company's Articles of Association provide that the presence at an Annual General Meeting, either in person or by proxy, of three (3) persons entitled to vote at the Annual General Meeting, and who together hold not less than one-third of the Company's voting share capital in issue, each being a Member or a proxy for a Member or a duly

Table of Contents

authorized representative of a corporate Member, constitutes a quorum for the transaction of business. The Company will treat ordinary shares represented by a properly signed and returned proxy (including holders of shares who abstain or do not vote with respect to one or more of the matters presented for a vote) as present at the meeting for the purposes of determining the presence or absence of a quorum for the transaction of business.

Voting of Ordinary Shares

Generally. Votes may be given at the Annual General Meeting either personally or by proxy. Voting at the Annual General Meeting will be by a show of hands, unless a poll (a count of the number of shares voted) is duly demanded. On a show of hands, each shareholder present in person and every proxy shall have one vote, provided, that no individual shall have more than one vote, and, on a poll, each shareholder shall have one vote for each share of which he, she or it is the holder. Where there is a tie, whether on a show of hands or on a poll, the chair of the meeting is entitled to a casting vote in addition to any other vote he may have. A poll may, subject to the provisions of the Irish Companies Acts, be demanded by: (i) the chair of the meeting; (ii) at least three Members present (in person or by proxy) having the right to attend and vote at the meeting; (iii) any Member or Members present (in person or by proxy) representing in aggregate not less than one-tenth of the total voting rights of all the Members having the right to attend and vote at the meeting; or (iv) a Member or Members present (in person or by proxy) holding the Company's shares conferring the right to attend and vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right. On a poll, a person entitled to more than one vote need not use all his, her or its votes or cast all the votes he, she or it uses in the same way.

Proxies. Ordinary shares represented by a properly signed and dated proxy will be voted at the Annual General Meeting in accordance with instructions indicated on the proxy. Proxies that are properly signed and dated but which do not contain voting instructions will be voted **FOR** approval of each of the proposals presented at the Annual General Meeting as more fully described in this proxy statement. Subject to any limitations imposed by law, a proxy holder may vote the proxy in his or her discretion as to any other matter which may properly come before the Annual General Meeting.

Abstentions. The Company will count a properly executed proxy marked **ABSTAIN** as present for purposes of determining whether a quorum is present, but the shares represented by that proxy will not be voted at the Annual General Meeting. An abstention will not have an effect on the vote for any of the proposals to be voted upon at the meeting. Shares held by shareholders who abstain from voting as to a particular matter, and shares held in street name by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote such shares as to a particular matter, will not be counted as votes in favor of such matter and will also not be counted as votes cast on such matter. Accordingly, abstentions and broker non-votes will have no effect on the consideration of the consolidated financial statements of the Company for the fiscal year ended January 31, 2004 and the Report of the Directors and Auditor thereon, the voting on the election or re-election of the directors, authorization of the Audit Committee to fix the auditor's remuneration, the approval of the 2004 Employee Share Purchase Plan or the approval of the share repurchase agreement.

Voting of ADSs

Generally. Holders of ADSs may not vote at the Annual General Meeting. The Bank of New York has the right, subject to certain limitations set forth in the Deposit Agreements among the Company, The Bank of New York and the owners and beneficial owners of ADSs, to vote all of the Company's ordinary shares represented by ADSs. Under the terms of the Deposit Agreements, however, The Bank of New York is

Table of Contents

required to cast its votes with respect to those ordinary shares for which it receives instructions from the holders of the ADSs representing such ordinary shares in accordance with the instructions received.

Record Date; Notice of Annual General Meeting. Under the terms of the Deposit Agreements, whenever The Bank of New York receives notice of any meeting of holders of ordinary shares, The Bank of New York is required to fix a record date, which shall be the record date, if any, established by the Company for the purpose of such meeting or, if different, as close to the date established by the Company as practicable, for the determination of the owners of ADSs who will be entitled to give instructions for the exercise of voting rights at any such meeting, subject to the provisions of the Deposit Agreements.

Upon receipt of notice of any of the Company's meetings or the solicitation for consents or proxies from the holders of ordinary shares, The Bank of New York is required, if so requested in writing by the Company, as soon as practicable thereafter, to mail to all owners of ADSs a notice, the form of which shall be in the sole discretion of The Bank of New York, containing:

the information contained in the notice of meeting received by The Bank of New York from the Company;

a statement that the owners of ADSs at the close of business on a specified record date are entitled, subject to any applicable provisions of Irish law and of the Company's Articles of Association, to instruct The Bank of New York as to the exercise by The Bank of New York of the voting rights, if any, pertaining to the number of ordinary shares represented by their respective ADSs;

a statement that owners of ADSs who instruct The Bank of New York as to the exercise of their voting rights will be deemed to have instructed The Bank of New York or its authorized representative to call for a poll with respect to each matter for which instructions are given, subject to any applicable provisions of Irish law and of the Company's Articles of Association; and

a statement as to the manner in which the instructions may be given, including an express indication that instructions may be given or deemed to be given in accordance with the next paragraph, and if no instruction is received, to The Bank of New York to give a discretionary proxy to a person designated by the Company.

Voting of Ordinary Shares Underlying ADSs. Upon the written request of an owner of ADSs on the record date, received on or before the date established by The Bank of New York for the purpose of such meeting, The Bank of New York will, insofar as practicable, vote or cause to be voted the number of ordinary shares represented by such ADSs in accordance with the instructions set forth in such request. Accordingly, pursuant to the Company's Articles of Association and applicable Irish law, The Bank of New York will cause its authorized representative to attend each meeting of holders of ordinary shares and call for a poll as instructed for the purpose of effecting such vote. The Bank of New York will not vote or attempt to exercise the rights to vote that attach to the ordinary shares other than in accordance with such instructions or deemed instructions.

Discretionary Proxies. The Deposit Agreements provide that if no instructions are received by The Bank of New York from any owner of ADSs with respect to any of the ordinary shares represented by the ADSs on or before the date established by The Bank of New York for the purpose of such meeting, The Bank of New York will deem such owner of ADSs to have instructed The Bank of New York to give a discretionary proxy to a person designated by the Company with respect to such ordinary shares and The Bank of New York will give a discretionary proxy to a person designated by the Company to vote such ordinary shares, under circumstances and according to the terms as set forth in the Deposit Agreements. However, no such instructions will be deemed given and no such discretionary proxy will be given if the Company notifies The

Table of Contents

Bank of New York, and the Company has agreed to provide such notice as promptly as practicable in writing, that the matter to be voted upon is one of the following:

a matter not submitted to shareholders by means of a proxy statement comparable to that specified in Schedule 14A promulgated by the U.S. Securities and Exchange Commission (the "SEC") pursuant to the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act");

the subject of a counter-solicitation, or is part of a proposal made by a shareholder which is being opposed by the Company's management (i.e., a contest);

relates to a merger or consolidation in limited circumstances involving a merger between the Company and a wholly-owned subsidiary;

involves rights of appraisal;

authorizes mortgaging of property;

authorizes or creates indebtedness or increases the authorized amount of indebtedness;

authorizes or creates preference shares or increases the authorized amount of existing preference shares;

alters the terms or conditions of any shares then outstanding or existing indebtedness;

involves the waiver or modification of preemptive rights, except when the Company's proposal is to waive such rights for ordinary shares being offered under share option or purchase plans involving the additional issuance of not more than 5% of the Company's outstanding ordinary shares;

alters voting provisions or the proportionate voting power of a class of shares, or the number of its votes per share, except where cumulative voting provisions govern the number of votes per share for election of directors and the Company's proposal involves a change in the number of the Company's directors by not more than 10% or not more than one;

changes existing quorum requirements for shareholder meetings;

authorizes the issuance of ordinary shares, or options to purchase ordinary shares, to the Company's directors, officers, or employees in an amount which exceeds 5% of the total amount of the class outstanding. However, when no plan is amended to extend its duration, the Company shall factor into the calculation the number of ordinary shares that remain available for issuance, the number of ordinary shares subject to outstanding options and any ordinary shares being added. Should there be more than one plan being considered at the same meeting, all ordinary shares will be aggregated;

authorizes (a) a new profit-sharing or special remuneration plan, or a new retirement plan, the annual cost of which will amount to more than 10% of the Company's average annual income before taxes for the preceding five years, or (b) the amendment of an existing plan which would bring the annual costs above 10% of such average annual income before taxes. Should there be more than one plan being considered at the same meeting, all costs are aggregated; exceptions may be made in cases of: (1) retirement plans based on agreement or negotiations with labor unions or which have been or are to be approved by such unions, and (2) any related retirement plan for the benefit of non-union employees having terms substantially equivalent to the terms of such union-negotiated plan, which is submitted for action of shareholders concurrently with such union-negotiated plan;

changes the Company's purposes or powers to an extent which would permit the Company to change to a materially different line of business and the Company's stated intention is to make such a change;

Table of Contents

authorizes the acquisition of property, assets or a company, where the consideration to be given has a fair value of 20% or more of the market value of the Company's previously outstanding ADSs and ordinary shares;

authorizes the sale or other disposition of 20% or more of the Company's assets or earning power as measured prior to the closing of the transactions;

authorizes a transaction which is not in the ordinary course of business in which an officer, director or substantial security holder of the Company has a direct or indirect interest; or

reduces the Company's earned surplus by 51% or more, or reduces earned surplus to an amount less than the aggregate of three years ordinary share dividends computed at the current dividend rate.

Each proposal to be acted upon at the Annual General Meeting is a matter for which The Bank of New York may deem that instruction has been given for The Bank of New York to give a discretionary proxy to a person designated by the Company where no instruction is received. Therefore, The Bank of New York will give a discretionary proxy to a person designated by the Company to vote such ordinary shares for which no instruction has been given.

Inspection of Reports. The Bank of New York will make available for inspection by the owners of ADSs at its Corporate Trust Office any reports and communications, including any proxy soliciting material, received from the Company, which are both (a) received by The Bank of New York as the holder of the ordinary shares and (b) generally made available to the holders of ordinary shares by the Company. The Bank of New York will also send to the owners of ADSs copies of such reports when furnished by the Company pursuant to the Deposit Agreements.

Expenses of Solicitation of Proxies

The Company will pay the cost of preparing, assembling, printing and mailing the proxy statement, the Notice of Annual General Meeting of Shareholders and the enclosed form of proxy, as well as the cost of soliciting proxies relating to the Annual General Meeting. Following the original mailing of the proxies and other solicitation materials, the Company will request banks, brokers, dealers and voting trustees or other nominees, including The Bank of New York in the case of the ADSs, to solicit their customers who are owners of shares listed of record and names of nominees, and will reimburse them for reasonable out-of-pocket expenses of such solicitation.

In addition to solicitation by mail, directors, officers and key employees of the Company may solicit proxies in person or by telephone, telegram or other means of communications. These persons will receive no additional compensation for solicitation of proxies but may be reimbursed for reasonable out-of-pocket expenses.

Revocability of Proxies

You may revoke your proxy before it is voted by:

providing written notice before the meeting that you have revoked your proxy by mail or facsimile to:

If you are a holder of the Company's ordinary shares
SkillSoft Public Limited Company
107 Northeastern Boulevard
Nashua, New Hampshire 03062
Attention: Investor Relations
Fax: (603) 324-3210

Table of Contents

If you are a holder of the Company's ADSs

The Bank of New York
101 Barclay Street
New York, New York 10286
Attention: James Kelly
Fax: 212-571-3050

submitting a new signed proxy with a later date to the Company, if you are a holder of ordinary shares, or to The Bank of New York, if you are a holder of ADSs; or

if you are a holder of ordinary shares, attending the Annual General Meeting.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of April 30, 2004 with respect to the beneficial ownership of the Company's ADSs by:

each person known to the Company to own beneficially more than 5% of the Company's outstanding securities;

each director;

each of the Named Executive Officers; and

the current directors and executive officers of the Company as a group.

The number of ADSs beneficially owned by each 5% shareholder, director or executive officer is determined under rules of the SEC. Under such rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and includes any ADSs representing the ordinary shares which the individual has the right to acquire on or before June 29, 2004 through the exercise of share options, and any reference in the footnotes to this table to shares subject to share options refers only to share options that are so exercisable. For purposes of computing the percentage of outstanding ADSs held by each person or entity, any shares which that person or entity has the right to acquire on or before June 29, 2004, are deemed to be outstanding but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, each person or entity has sole investment and voting power (or shares such power with his or her spouse) with respect to the shares set forth in the following table. The inclusion herein of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares.

Table of Contents

As of April 30, 2004, the Company had approximately 104,747,690 ordinary shares outstanding. The shareholders of the Company may elect to hold their respective shares of the Company's outstanding securities in the form of ordinary shares or ADSs. In addition, holders of options to purchase ordinary shares of the Company may, upon exercise of their options, elect to receive such ordinary shares in the form of ADSs. The 5% shareholders, directors and executive officers identified in the following table hold their respective shares of the Company's outstanding securities in the form of ADSs.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	
	ADSs	Percentage Owned
<i>5% Shareholders</i>		
Warburg, Pincus Ventures, L.P.(1)	13,279,987	12.7%
Columbia Wanger Asset Management, L.P.(2)	12,225,000	11.7%
Cramer Rosenthal McGlynn, LLC(3)	5,081,700	4.8%
Transamerica Investment Management, LLC(4)	4,983,069	4.8%
<i>Directors</i>		
Stewart K.P. Gross(5)	13,286,237	12.7%
Charles E. Moran(6)	2,777,857	2.2%
Gregory M. Priest(7)	1,703,025	1.6%
James S. Krzywicki(8)	129,250	*
Ferdinand von Prondzynski(9)	15,010	*
P. Howard Edelstein	6,250	*
William F. Meagher, Jr.		
<i>Named Executive Officers</i>		
Mark A. Townsend(10)	991,925	*
Jerald A. Nine(11)	870,178	*
Colm M. Darcy(12)	107,054	*
All current directors and executive officers as a group (11 persons)	20,167,601	18.5%

* Less than 1%

- (1) On September 16, 2002, Warburg Pincus Ventures, L.P. (WPV), Warburg Pincus & Co. (WP) and Warburg Pincus LLC (WP LLC) filed a Schedule 13D with the SEC reporting beneficial ownership and shared voting and dispositive power with respect to 13,279,987 ADSs, consisting of shares beneficially owned by WPV, WP and WP LLC; the following information is reported in reliance on such filing. WP is the sole general partner of WPV. WPV is managed by WP LLC. The address for WPV is 466 Lexington Avenue, 10th Floor, New York, New York 10017-3147.
- (2) On February 13, 2004, Columbia Wanger Asset Management, L.P. (WAM), WAM Acquisition GP, Inc. (WAM GP) and Columbia Acorn Trust (Acorn) filed Amendment No. 3 to Schedule 13G with the SEC reporting beneficial ownership and shared voting and dispositive power with respect to 12,225,000 ADSs for WAM and WAM GP and 9,900,000 ADSs for Acorn, consisting of shares beneficially owned by WAM, WAM GP and Acorn; the following information is reported in reliance on such filing. WAM is an Investment Adviser registered under section 203 of the Investment Advisors Act of 1940 and reports ADSs acquired on behalf of discretionary clients. Acorn is a discretionary client of WAM. WAM GP is the general partner of WAM. WAM, WAM GP and Acorn file jointly pursuant to

Table of Contents

a Joint Filing Agreement dated February 13, 2004 among WAM, WAM GP and Acorn. The address of WAM, WAM GP and Acorn is 227 West Monroe Street, Suite 3000, Chicago, Illinois 60606.

- (3) On February 6, 2004, Cramer Rosenthal McGlynn, LLC (Cramer) filed Amendment No. 1 to Schedule 13G with the SEC reporting beneficial ownership with respect to 5,081,700 ADSs, consisting of 2,411,700 ADSs for which Cramer has sole voting power, 2,420,100 ADSs for which Cramer has sole dispositive power, 2,556,100 ADSs for which Cramer has shared voting power and 2,525,600 ADSs for which Cramer has shared dispositive power; the following information is reported in reliance on such filing. The Amendment No. 1 to Schedule 13G filing with the SEC was filed erroneously with respect to SkillSoft Corporation rather than SkillSoft PLC. Cramer is an Investment Adviser registered under section 203 of the Investment Advisors Act of 1940. The address of Cramer is 520 Madison Avenue, New York, New York 10022.
- (4) On December 30, 2003, Transamerica Investment Management, LLC (TIM) filed Amendment No. 2 to Schedule 13G with the SEC reporting beneficial ownership and shared voting and dispositive power with respect to 4,983,069 ADSs; the following information is reported in reliance on such filing. The Amendment No. 2 to Schedule 13G filed with the SEC was filed erroneously with respect to SkillSoft Corporation rather than SkillSoft PLC. TIM is deemed to be the beneficial owner pursuant to separate arrangements whereby TIM acts as investment adviser to certain individuals and entities. The address of TIM is 1150 S. Olive Street, Los Angeles, California 90015.
- (5) Mr. Gross, a director of the Company, is a managing director and member of WP LLC and a general partner of WP. Mr. Gross disclaims beneficial ownership of these shares. See Note 1 of this table. Mr. Gross s address is c/o WPV, 466 Lexington Avenue, 10th Floor, New York, New York 10017-3147. Includes 6,250 ADSs issuable upon exercise of share options held by Mr. Gross.
- (6) Includes 763,805 ADSs issuable upon exercise of share options held by Mr. Moran, 11 ADSs held by Mr. Moran s wife, 2,367 ADSs held in a family trust of which Mr. Moran is a trustee, and 1,511,674 ADSs beneficially owned by Mr. Moran s wife, as trustee of various trusts for the benefit of Mr. Moran s children. Mr. Moran disclaims beneficial ownership of the shares held in trust.
- (7) Includes 1,691,866 ADSs issuable upon exercise of share options held by Mr. Priest.
- (8) Includes 126,250 ADSs issuable upon exercise of share options held by Mr. Krzywicki.
- (9) Includes 15,000 ADSs issuable upon exercise of share options held by Dr. von Prondzynski.
- (10) Includes 536,782 ADSs issuable upon exercise of share options held by Mr. Townsend and 59,185 ADSs beneficially owned by Mr. Townsend s wife as trustee of the MCM Trust. Mr. Townsend disclaims beneficial ownership of the shares held in trust.
- (11) Includes 417,473 ADSs issuable upon exercise of share options held by Mr. Nine and 392,652 ADSs held by Mr. Nine s wife as trustee of the Kimberly M. Nine Revocable Trust. Mr. Nine disclaims beneficial ownership of the shares held in trust.
- (12) Represents 107,054 ADSs issuable upon exercise of share options held by Mr. Darcy.

Table of Contents

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE INFORMATION

The Company's Board of Directors has long believed that good corporate governance is important to ensure that the Company is managed for the long-term benefit of its shareholders. During the past year, the Company's Board of Directors has continued to review its governance practices in light of the Sarbanes-Oxley Act of 2002, new SEC rules and regulation and the new listing standards of the NASDAQ National Market. This section describes the key corporate governance guidelines and practices that the Company has adopted. Complete copies of the corporate governance guidelines, committee charters and code of conduct described below are available on the Company's website at www.skillssoft.com. Alternatively, you can request a copy of any of these documents by writing to SkillSoft Public Limited Company, c/o Investor Relations, 107 Northeastern Boulevard, Nashua, New Hampshire 03062.

Corporate Governance Guidelines

The Board has adopted corporate governance guidelines to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of the Company and its shareholders. Among the matters covered by these guidelines are:

the principal responsibility of the directors is to oversee the management of the Company;

a majority of the members of the Board shall be independent directors;

the independent directors shall meet regularly in executive session;

the directors shall have full and free access to management and, as necessary and appropriate, independent advisors;

new directors shall participate in an orientation program and all directors are expected to participate in continuing director education on an ongoing basis; and

at least annually the Board will conduct a self-evaluation to determine whether the Board and the Board's committees are functioning effectively.

Members of the Board of Directors

The following is a list of the directors of the Company and certain information about their background.

Gregory M. Priest, age 40, was appointed Chairman of the Board of Directors in November 2000. Mr. Priest has served as the Company's Chief Strategy Officer since the Company's merger with SkillSoft Corporation in September 2002. Mr. Priest served as the Company's President and Chief Executive Officer from December 1998 to September 2002. Mr. Priest has been a director since June 1996.

Charles E. Moran, age 49, has served as President and Chief Executive Officer and as a director of the Company since the Company's merger with SkillSoft Corporation in September 2002. Mr. Moran is a founder of SkillSoft Corporation and served as its Chairman of the Board, President and Chief Executive Officer from January 1998 until September 2002.

P. Howard Edelstein, age 49, has served as a director of the Company since the Company's merger with SkillSoft Corporation in September 2002. Mr. Edelstein has served as President and Chief Executive Officer of Radianz, Inc., an Internet Protocol (IP)-based networking company for the global financial services industry, since July 2003. Mr. Edelstein served as an Entrepreneur in Residence with Warburg Pincus LLC from January 2002 to July 2003. Mr. Edelstein previously served as President and Chief Executive Officer of Thomson Financial ESG (now known as Omgeo), a provider of electronic commerce, transaction processing and information services to the international securities/trading community, from 1993 to 2001. Mr. Edelstein

Table of Contents

is also a director of PalmSource, a software developer for mobile information devices, and Alacra, a privately held financial information company.

Stewart K.P. Gross, age 44, has served as a director of the Company since the Company's merger with SkillSoft Corporation in September 2002. Mr. Gross served as a director of SkillSoft Corporation from January 1998 to September 2002. Mr. Gross is a Managing Director of Warburg Pincus LLC, where he has been employed since July 1987. Mr. Gross is a director of BEA Systems, Inc., a publicly traded provider of application infrastructure software, and several privately held companies.

James S. Krzywicki, age 52, has served as a director of the Company since October 1998. Mr. Krzywicki was Vice President, Channel Services of Parametric Technology Corporation (PTC), a provider of software solutions for manufacturers for product development and improvement, from April 2003 to January 2004. Prior to joining PTC, Mr. Krzywicki served as President of North American Services of RoweCom, Inc., a provider of knowledge resource management and acquisition services, from October 1999 to February 2001, and as Chief Operating Officer from February 2001 to November 2001. In November 2001, RoweCom, Inc. was acquired by divine, inc., a premier integrated solution provider focused on the extended enterprise, and Mr. Krzywicki became Senior Vice President and General Manager, divine information services, and held this position until January 2003. Subsequently, RoweCom, Inc. filed for protection under Chapter 11 of the United States Bankruptcy Code in the United States District Court for the District of Massachusetts in January 2003. From 1992 to 1999, Mr. Krzywicki held various positions with Lotus Development Corporation, which is now owned by International Business Machines Corporation, most recently as Director, Distributed Learning, IBM Global Services.

William F. Meagher, Jr., age 65, has served as a director of the Company since March 2004. Mr. Meagher was the Managing Partner of the Boston Office of Arthur Andersen LLP (Andersen) from 1982 until 1995, and spent a total of 38 years with Andersen. Mr. Meagher was a member of the American Institute of Certified Public Accountants and the Massachusetts Society of Certified Public Accountants. Mr. Meagher is a director of All Seasons Services, Inc. and a trustee of Living Care Villages of Massachusetts, Inc. d/b/a North Hill and the Dana Farber Cancer Institute and the Greater Boston YMCA.

Ferdinand von Prondzynski, age 50, has served as a director of the Company since November 2001. Dr. von Prondzynski has been the President of Dublin City University, one of Ireland's leading higher education institutions, since July 2000. From January 1991 to July 2000, Dr. von Prondzynski served as Professor of Law and Dean of the Faculty of Social Services, the University of Hull, UK.

There are no family relationships among any of the directors or executive officers of the Company.

Determination of Independence

Under NASDAQ rules that become applicable to the Company on the date of the Annual General Meeting, a director of the Company will only qualify as an independent director if, in the opinion of the Company's Board of Directors, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Company's Board of Directors has determined that none of Messrs. Edelstein, Gross, Krzywicki, Meagher or Dr. von Prondzynski has a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is an independent director as defined under Rule 4200(a)(15) of the NASDAQ Stock Market, Inc. Marketplace Rules.

Table of Contents

Director Candidates

The process followed by the Nominating and Corporate Governance Committee to identify and evaluate director candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Nominating and Corporate Governance Committee and the Board of Directors.

In considering whether to recommend any particular candidate for inclusion in the Board of Director's slate of recommended director nominees, the Nominating and Corporate Governance Committee will apply the criteria set forth in the Company's Corporate Governance Guidelines. These criteria include the candidate's integrity, business acumen, knowledge of the Company's business and industry, age, experience, diligence, conflicts of interest and the ability to act in the interests of all shareholders. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for recommendation. The Company believes that the backgrounds and qualifications of its directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Board of Directors to fulfill its responsibilities.

Shareholders may recommend individuals to the Nominating and Corporate Governance Committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of the Company's ADSs for at least a year as of the date such recommendation is made, to the Nominating and Corporate Governance Committee, c/o Investor Relations, SkillSoft Public Limited Company, 107 Northeastern Boulevard, Nashua, New Hampshire 03062. Assuming that appropriate biographical and background material has been provided on a timely basis, the Nominating and Corporate Governance Committee will evaluate shareholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows and applies for candidates submitted by others.

At the Annual General Meeting, shareholders will be asked to consider the election of William F. Meagher, Jr., who was appointed as a director by the Board on March 4, 2004. Mr. Meagher was originally recommended to the Committee for consideration as a potential director candidate by the Company's chief executive officer, and the Board determined to include him among its nominees.

Board Committees

The Board of Directors has a standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Each of these committees operates under a charter that has been approved by the Board of Directors. Current copies of each committee's charter are posted on the Investor Relations section of the Company's website, www.skillssoft.com. In addition, a copy of the Audit Committee Charter is attached as Appendix A to this proxy statement.

The Board of Directors has determined that all of the members of each of the Board's three standing committees are independent as defined under the new rules of the Nasdaq Stock Market that become applicable to the Company on the date of the Annual General Meeting, including, in the case of all members of the Audit Committee, the independence requirements contemplated by Rule 10A-3 under the Exchange Act. In addition, all members of the Audit Committee are independent as defined by the rules of the Nasdaq Stock Market that apply to the Company until the date of the Annual General Meeting.

Table of Contents

Audit Committee

The Audit Committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of the Company's independent auditor;
- overseeing the work of the Company's independent auditor, including through the receipt and consideration of certain reports from the independent auditor;
- reviewing and discussing with management and the independent auditor the Company's annual and quarterly financial statements and related disclosures;
- monitoring the Company's internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- overseeing the Company's internal audit function;
- discussing the Company's risk management policies;
- establishing policies regarding hiring employees from the independent auditor and procedures for the receipt and retention of accounting complaints and concerns;
- meeting independently with the Company's internal auditing staff, independent auditor and management; and
- preparing the audit committee report required by SEC rules (which is included on page 13 of this proxy statement).

The Board of Directors has determined that Mr. Meagher is an audit committee financial expert as defined in Item 401(h) of Regulation S-K.

The current members of the Audit Committee are Messrs. Gross, Krzywicki and Meagher (Chair) and Dr. von Prondzynski. The Audit Committee met fifteen times during the fiscal year ended January 31, 2004.

Compensation Committee

The Compensation Committee's responsibilities include:

- annually reviewing and approving corporate goals and objectives relevant to CEO compensation;
- determining the CEO's compensation;
- reviewing and approving, or making recommendations to the Board of Directors with respect to, the compensation of the Company's other executive officers;
- overseeing an evaluation of the Company's senior executives;
- overseeing and administering each of the Company's cash and equity incentive plans; and
- reviewing and making recommendations to the Board of Directors with respect to director compensation.

The current members of the Compensation Committee are Messrs. Edelstein, Gross (Chair) and Krzywicki. Mr. Coleman served as a member of the Compensation Committee until his resignation as a director on January 31, 2004. Mr. Edelstein was elected to the Compensation Committee to replace Mr. Coleman on March 4, 2004. The Compensation Committee met twice during the fiscal year ended January 31, 2004.

Table of Contents

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee's responsibilities include:

identifying individuals qualified to become Board of Directors members;

recommending to the Board of Directors the persons to be nominated for election as members of the Board of Directors and to each of the committees of the Board of Directors;

reviewing and making recommendations to the Board of Directors with respect to management succession planning;

developing and recommending to the Board of Directors corporate governance principles; and

overseeing the evaluation of the Board of Directors.

The current members of the Nominating and Corporate Governance Committee are Messrs. Edelstein, Gross (Chair) Krzywicki and Meagher and Dr. von Prondzynski. Mr. Coleman served as a member of the Nominating and Corporate Governance Committee until his resignation as a director on January 31, 2004. The Nominating and Corporate Governance Committee did not meet during the fiscal year ended January 31, 2004.

Attendance by Members of the Board of Directors at Meetings

The Board of Directors met eight times during the fiscal year ended January 31, 2004. Each of the Company's current directors attended at least 75% of the aggregate number of Board and committee meetings held during the fiscal year ended January 31, 2004 that he was eligible to attend as a director and committee member.

One director attended the 2003 Annual General Meeting. On March 4, 2004, the Board of Directors adopted the Company's revised Corporate Governance Guidelines, which provide that directors are expected to attend the Annual General Meeting of Shareholders.

Shareholder Communications

The Board of Directors will give appropriate attention to written communications that are submitted by shareholders, and will respond if and as appropriate. The Chair of the Nominating and Corporate Governance Committee is primarily responsible for monitoring communications from shareholders and for providing copies or summaries of such communications to the other directors as he considers appropriate.

Under procedures approved by a majority of the independent directors, communications are forwarded to all directors if they relate to important