

'Powerful hands involved in ousting'

BY JAGDEV SINGH SIDHU

KUALA LUMPUR: Powerful hands may be involved in the "ousting" of Tan Sri Tengku Mahaleel Tengku Ariff as Proton Holdings group CEO, according to Tun Dr Mahathir Mohamad.

'This is boardroom politics which, I think, has spilt over to other politics,' said Dr Mahathir who is Proton adviser.

"Powerful hands might be involved, I don't know. But my concerns are for Proton, a national project which a lot of people admire," the former prime minister told a press conference yesterday.

However, he declined to say who the "powerful hands" were.

The former prime minister said Proton's board of directors went by the book in retiring Tengku Mahaleel after he did not agree to the terms of a new contract.

But the terms of the new contract were inferior to what Mahaleel was getting, he said.

"He was retired because he did not agree with the terms offered to him. He did not want to sign it, and because of that he was retired. There is no hanky panky there," he said.

"It is the right of the board to dismiss anybody, but I suspected it was coming.

"I am quite sure Proton would do better under new management," said Dr Mahathir who revealed that Tengku Mahaleel would not be given a golden handshake for his service to the company.

Dr Mahathir questioned why Tengku Mahaleel, whom he regarded as having done a good job at Proton, was given an

inferior contract.

"He is not told why he was offered inferior terms. When we serve in the Government after many years, we get increases in pay. But here, according to him, the terms offered were inferior.

"it is almost like a demotion," said Dr Mahathir.

Dr Mahathir said Tengku Mahaleel's job as CEO was also made cumbersome with the removal of him as chairman of some of Proton's major subsidiaries and the appointment as director of those companies.

He said Tengku Mahaleel would have had to spend more time preparing reports for the board of the different companies within the group, and this would have "cramped his ability to run Proton properly because there is direct connection between the subsidiaries and the management of Proton".

"The chairmanship of many subsidiaries is now assumed by the chairman of the holding company. This poses some problems because the chairmen of the subsidiaries normally report to the holding company. It would mean that the chairman is reporting to himself," he said.

"If I had to report to myself, it would be difficult."

Dr Mahathir said the firing of top executives of motor companies around the world normally took place when the company was losing money but in Tengku Mahaleel's situation, this was not the case.

"I don't know if you can assume that Tengku Mahaleel has failed. He ran the company for more than seven years and

during that time, Proton had been profitable despite all the APs (approved permits)," he said.

"During his tenure as CEO, he has worked up the capacity of Proton, and today, it can design and produce models, prototypes, testing including crash testing, and mass produce cars," Dr Mahathir said, adding that Volkswagen had indicated that it would want some of its design work to be done by Proton.

He said problems with cars also did not warrant retiring the top executive of a motor company.

Dr Mahathir also indicated that Tengku Mahaleel would not get a golden handshake from Proton for his years of service even though the previous CEO was given RM1mil after three years on the job,

"Mahaleel has served seven years but the new chairman said what happened before he came in is none of his business, meaning that Mahaleel's past service is not something he will look into," he said.

Dr Mahathir said his comments on Tengku Mahaleel's retirement were not in defence of the former CEO.

"My concern is for the national car. I started this before Mahaleel joined. When the company looks like a success, you want it to remain successful," he said.

Asked what impact Tengku Mahaleel's departure would have on Proton's alliance with Volkswagen, Dr Mahathir said: "Maybe Volkswagen will feel very happy about these things and the co-operation will be greater."