

'Advisor Emeritus' not my idea

Najib says position suggested to him and is 'nothing nefarious'

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KUALA LUMPUR: Datuk Seri Najib Razak has denied creating the position "Advisor Emeritus" in SRC International Sdn Bhd to tighten his purported control over the government-linked company, the High Court heard.

The former prime minister said the position was "not his idea" but rather, an idea that was presented to him.

"It was suggested and I went along with it. Because the wording on it says '...shall advise the Board on matters of strategic interest to Malaysia'. Strategic interest. 'And the Board shall give consideration to and implement any advice of the advisor emeritus in the best interest of the country'.

"So I was comforted with the words, but it was not my idea to become the adviser," he said on the stand here yesterday.

Najib was under cross-examination by SRC's lawyer R Gananathan in a lawsuit filed by SRC against him and former CEO Nik

Faisal Ariff Kamil.

Gananathan was referring to an amendment in the company's Memorandum and Articles of Association (M&A), with the insertion of Article 117 that led to Najib's appointment as advisor emeritus of the company.

When asked who had proposed the idea of an advisor emeritus to him, Najib said he could not remember but the proposal was drafted for him.

"When I saw the wording (in the proposal), I mean, I've been the prime minister. For example, the overarching powers of the prime minister in the context of PETRONAS is even more overwhelming where I had direct control, I could override the Board. There is no safeguard," he said.

Comparing PETRONAS to SRC, Najib said there was "nothing nefarious" as the advisor emeritus of SRC and the scope clearly spelled out "the best interest of the company".

Gananathan: As the advisor emeritus of the company, I'm suggesting to you that you introduced

this position to entrench your position farther to be the ultimate controller of SRC.

Najib: How can I be the ultimate controller?

Gananathan: Do you agree or disagree?

Najib: I disagree.

Gananathan also brought attention to Article 116 of the M&A that has an amendment to include matters pertaining to information disclosure.

Gananathan: You are now introducing a further amendment which requires your prior approvals of the disclosure of sensitive information.

Najib: I don't think anything sinister of that.

Gananathan: These amendments are for you to tighten control over SRC.

Najib: I disagree.

Under new management, SRC filed the legal action in May 2021, alleging that Najib had committed breach of trust, abuse of power, misappropriated the company's funds and personally benefited from it.

It named Najib along with its former directors Datuk Suboh Md Yassin, Mohammed Azhar Osman Khairuddin, Nik Faisal, Datuk Che Abdullah @ Rashidi Che Omar, Datuk Shahrol Azral Ibrahim Halimi and Tan Sri Ismee Ismail in May 2021.

However, it later removed six names from the suit and retained Najib and Nik Faisal as the first and second defendants.

Additionally, Najib has brought the former named SRC International directors as third-party respondents in the suit.

The company is seeking damages, interests, costs and a court declaration that Najib is responsible for the company's losses due to his breach of duties and trust, and is demanding that Najib pay back the US\$1.18bil in losses that it has suffered.

It is also seeking US\$120mil and US\$2mil from Najib and Nik Faisal respectively, on account of fraudulent breach of fiduciary duties and breach of trust.

The trial before Justice Ahmad Fairuz Zainol Abidin continues today.