

Suzanne Stew
 Acting Secretary for Business, Innovation & Employment and Chief Executive
 Ministry of Business, Innovation and Employment
 15 Stout Street
 Wellington 6011
 By email to: s 9(2)(a) @mbie.govt.nz
 19 January 2026

Dear Suzanne,

Re: MBIE Biometric Capability Update and In Person Enrolment Projects

Further to our meeting on 14 January 2026, I confirm the position of NEC New Zealand ("NEC NZ") as follows:

1. It accepts MBIE's termination of the T&M Engagement;
2. It accepts MBIE's termination of the IPE SOW without cause effective from 21 January 2026, s 9(2)(b)(ii)

s 9(2)(b)(ii)

s 9(2)(b)(ii)

Before you cease your Acting Secretary role at MBIE, I would ask you to acknowledge:

- A. Receipt of this letter; and
- B. s 9(2)(b)(ii)

Yours sincerely

s 9(2)(a)

Keith Morrison
 Chief Executive Officer
 NEC Australia and New Zealand



10 November 2025

Keith Morrison
Chief Executive Officer
NEC Australia & New Zealand

By email: s 9(2)(a)

Dear Keith

Biometric Capability Update (BCU) Project – without prejudice

Thank you for your letter of 4 November and our call on 30 October 2025.

I acknowledge the matters raised in your recent letter, and I disagree with many of the issues raised. If necessary, these can be discussed at our in-person meeting.

We are scheduled to meet virtually this Friday 14 November 2025, 2 pm (NZT) and again later in the month in-person. I propose that we use the virtual meeting to agree an agenda for our in-person meeting. The in-person meeting presents the best opportunity to work towards a way forward.

In the interim, given that the November go-live date is no longer possible, I have asked our team to pause work on the BCU project (including our supporting suppliers), pending the outcome of our discussions. I propose that NEC does the same as it is in the interests of both of our organisations to avoid incurring unnecessary further costs while we are in the process of exploring a pathway forward.

I am mindful that you have advised that we can expect to receive an invoice from NEC for October 2025. We will discuss this also at the in-person meeting.

I look forward to hearing from you.

Yours sincerely

s 9(2)(a)

Suzanne Stew
Secretary for Business, Innovation & Employment and Chief Executive (Acting)
Te Tumu Whakarae mō Hīkina Whakatutuki



16 December 2025

Keith Morrison
Chief Executive Officer
NEC Australia & New Zealand

By email: s 9(2)(a)

Dear Keith

Termination of IPE and BCU projects

The Ministry of Business, Innovation and Employment (MBIE) and NEC New Zealand Limited (NEC) are parties to:

- Master ICT Agreement, dated 27 June 2019 (**Master Agreement**).
- MBIE Biometric Capability Update Statement of Work, Project 3644, dated 26 August 2020 (**BCU SOW**).
- INZ BCU In Person Enrolment Replacement Statement of Work, Project 3644, dated 17 December 2020 (**IPE SOW**).
- BCU License Agreement, notified to the Ministry on 13 November 2023 (**BCU EULA**).
- IPE License Agreement, notified to the Ministry on 26 May 2025 (**IPE EULA**).

The Master Agreement expired on 27 June 2024, with the IPE SOW and BCU SOW remaining in force in accordance with their terms after expiry of the Master Agreement.

Termination

MBIE gives NEC notice that MBIE is terminating:

- s 9(2)(b)(ii)

- s9(2)(b)(ii)

s9(2)(b)(ii)



The time and materials engagement agreed by MBIE and NEC in the letter "BCU and IPE Programme", dated 30 January 2024 (**T&M Engagement**), ended earlier in 2025. However, if MBIE is incorrect on that point and the T&M Engagement remains in force, MBIE also terminates the T&M Engagement in accordance with the "Term" paragraph of the letter. The T&M Engagement therefore terminates, if it has not already, 20 days from the date of this letter.

The BCU SOW, IPE SOW, BCU EULA and IPE EULA will all terminate on 21 January 2026.

The T&M Engagement, if it has not already, will terminate on 6 January 2026.

MBIE will provide NEC details of any disengagement services required under the BCU SOW and IPE SOW before termination takes effect.

Please advise receipt of this letter.

Yours sincerely

s 9(2)(a)



Suzanne Stew
Secretary for Business, Innovation & Employment and Chief Executive (Acting)
Te Tumu Whakarae mō Hīkina Whakatutuki



22 January 2026

Keith Morrison
Chief Executive Officer
NEC Australia & New Zealand

By email: s 9(2)(a)

Dear Keith

Claim for payment under IPE SoW

I write in response to your email and the letter received on 19 January 2026 addressed to Suzanne Stew, Acting Secretary, MBIE.

I have spoken to Richard Griffiths and would like to express my thanks for the ongoing conversations about the upgrade of the current solution as well as the constructive discussions underway to identify possible options for replacement of that solution in the future. MBIE looks forward to continuing those conversations and I understand that a workshop was held with NEC and MBIE on Wednesday 21 January to explore a more simplified approach.

As requested in your email, MBIE acknowledges receipt of the letter and NEC's assertion of a claim for payment under the s 9(2)(b)(ii)

s 9(2)(b)(ii)

I am conscious that Richard Griffiths is leaving MBIE and Suzanne Stew is no longer Acting Secretary so will look to confirm the primary point of contact for MBIE in due course as we work to resolve the outstanding matters.

Yours sincerely
s 9(2)(a)

Nic Blakeley
Secretary for Economic Growth and
Chief Executive of the Ministry of Business, Innovation & Employment
Te Tumu Whakarae mō Hīkina Whakatutuki

24 October 2025

Keith Morrison
Chief Executive Officer
NEC Australia & New Zealand

By email: s 9(2)(a)

Dear Keith

Biometric Capability Update Project (Project)

I write in relation to the Project s 9(2)(b)(ii) and our thinking around the future of this Project.

The Project has a lengthy history to it, most of which I will not rehearse in this letter. My primary focus is on the current unsatisfactory status of the Project and some of the reasons why we are where we are six years in. This provides you with the necessary context for MBIE's position as explained in the conclusion of this letter.

1. BACKGROUND

- 1.1 At the outset of the Project, the parties entered into the Master ICT Agreement on 27 June 2019 (the **Existing MA**). The parties then entered into a Project SoW (the **BCU SoW**) dated 26 August 2020 and a Services SoW for In Person Enrolment Replacement covering both implementation and ongoing support services (**IPE SoW**) dated 17 December 2020.

The Existing MA

- 1.2 The Existing MA's term s9(2)(b)(ii)

The BCU SoW

- 1.3 The BCU SoW is for the delivery of the parts of MBIE's BCU solution for which NEC is responsible. The BCU SoW includes delivery of the production software for go-live, remediation of defects and the provision of two months of "Early Life Support" after go-live. After the later of the remediation of notified defects and the two months of post go-live support (i.e. when the supply of all deliverables and the performance of services is completed), the BCU SoW will expire.
- 1.4 Since the BCU SoW was first entered into, a large number of change requests have been agreed under the BCU SoW (possibly over 150).
- 1.5 The BCU deliverables include the delivery of technology and software falling within NEC's core business (its biometric algorithm). However, it also includes building automated workflows as part

of the overall BCU solution to meet MBIE's requirements, which I understand are not part of NEC's core business.

The IPE SoW

1.6 The IPE SoW is for the delivery of one part of the overall Project solution: In-Person Enrolment. The deliverables under the IPE SoW are an integral part of the overall NEC solution to be provided under the BCU SoW and if the BCU deliverables were not implemented, the IPE deliverables would be of no practical use to MBIE. The IPE SoW covers the delivery of the IPE deliverables and then a five-year support period for those deliverables.

1.7 The IPE SoW does not provide for any payments s9(2)(b)(ii)

1.8 Over the six years since the existing MA was signed and the two SoWs were entered into, there have been a number of changes needed to the contractual arrangements for a range of reasons, s 9(2)(b)(ii). These changes include:

- (a) A significant number of change requests to the BCU SoW, as noted;
- (b) Variations and changes to both SoWs;
- (c) A number of extensions to the go-live date (which continues to be a movable feast);
- (d) Extensive negotiations on a new Master ICT Agreements s 9(2)(b)(ii)
- (e) MBIE agreed to downgrading a number of defects (fast followers) to allow NEC to provide a minimum viable product, s 9(2)(b)(ii)
- (f) A varied Time and Materials engagement, in part to triage raised defects and their resolution; and
- (g) An oral agreement for a six-month period from 1 October to 31 March 2025 for "project delivery completion" (i.e. remediation of defects), s 9(2)(b)(ii)

1.9 s 9(2)(b)(ii), s 9(2)(g)(i)

2. CURRENT STATUS

2.1 Go-live has still not occurred. While it is inevitable that each party will have different views on cause, s9(2)(b)(ii) . s 9(2)(g)(i)

s 9(2)(g)(i)

2.2 s 9(2)(b)(ii)

2.3 s 9(2)(b)(ii)

2.4 In the course of this year, the go-live production date has been revised multiple times. It was initially 8th April, then 3rd June, then 15th September, then 3rd November, and has now been varied to 14 November 2025.

s 9(2)(b)(ii)

(a) s9 (2) s 9(2)(g)(i)

(b) s 9(2)(b)(ii)

¹ s 9(2)(a) e-mail of 18 March 2025.
² s 9(2)(a) e-mail of 31 March 2025.

s 9(2)(g)(i)

(c) s 9(2)(b)(ii)

s9(2)(g)(i)

s 9(2)(b)(ii)

(d) s 9(2)(b)(ii)

(e) s9(2)(b)(ii)

(f) s 9(2)(b)(ii)

2.5 s 9(2)(b)(ii)

3. CONCLUSION

3.1 s 9(2)(b)(ii)

3.2 You will be aware that if go-live could not be achieved by the current November date then the next possible date would have to be after the end of year busy period; namely in March 2026. s 9(2)(g)(i)

3.3 I am therefore writing to inform you that the Project will not go live in November 2025, nor am I willing to commit to a new go-live date. MBIE is currently considering its options in relation to the Project (including the possibility of termination, s9(2)(ba)(ii)).

3.4 Once a decision has been made this will be formally communicated to you.

3.5 This letter is written on an open basis.

Yours sincerely
s 9(2)(a)

Suzanne Stew

Secretary for Business, Innovation & Employment and Chief Executive (Acting)

Te Tumu Whakarae mō Hīkina Whakatutuki



24 October 2025

Keith Morrison
Chief Executive Officer
NEC Australia & New Zealand

By email: s 9(2)(a)

Dear Keith

Biometric Capability Update Project – Without Prejudice

I refer to my open letter of today's date. Both parties to this project have spent a considerable time and effort over the past six years on this project, with the past three-four years largely focussed on extensions of Go-Live dates and remedying defects. s 9(2)(g)(i)

s 9(2)(g)(i)

In those circumstances it seems to be in the interests of both parties that we discuss on a without prejudice basis how we can resolve this situation in an efficient and cost-effective way that leaves us able to work with one another in the future. To that end, I invite you to meet with me virtually or in person to discuss the Ministry's concerns. I will be in Sydney next Thursday and Friday for meetings and could make some time to meet with you there if that suited you.

I await your response, but do note that we may nonetheless take formal steps in relation to the contract in the near future as foreshadowed in my open letter.

I look forward to hearing from you.

Yours sincerely

s 9(2)(a)

Suzanne Stew

Secretary for Business, Innovation & Employment and Chief Executive (Acting)
Te Tumu Whakarae mō Hīkina Whakatutuki

Back pocket points/Notes in response to NECs letter from Keith Morrison – dated 4 November. s 9(2)(h)

s 9(2)(b)(ii)

MBIE is the solution integrator for this project. s9(2)(b)(ii)

- 9(2)(j)

MBIE has made a multitude of changes since the SOWs were signed. s9(2)(b)(ii)

- 9(2)(j)

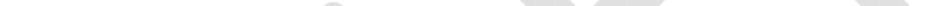
s9(2)(b)(ii)

- 9(2)(j)

s9(2)(ba)(ii)

• 9(2)(j)

■ [REDACTED]
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[REDACTED]
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Age Group	Should Take Action	Should Not Take Action
18-29	85%	15%
30-49	85%	15%
50-69	85%	15%
70+	85%	15%

■ Bar chart showing the percentage of respondents who believe that the U.S. should take action to address climate change. The chart shows that 85% of respondents believe the U.S. should take action, while 15% do not. The data is broken down by age group: 18-29 (88%), 30-49 (85%), 50-69 (82%), and 70+ (78%).

Government	Percentage
Current government	85%
Previous government	15%



Variation Agreement
- BCU SOW Signed.pc

Gender	U.S. should take action	U.S. should not take action
All respondents	95%	5%
Men	93%	7%
Women	97%	3%

s9(2)(g)(i), 9(2)(j)

- 9(2)(j)

-

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s9(2)(g)(i), 9(2)(j)

- 9(2)(j)

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The above is not an exhaustive list of areas where NEC disagrees with the statements and claims made in your letter, but provides some key examples and some key information of which your project team may not have properly apprised you.

s9(2)(g)(i), 9(2)(j)

Despite the above, and while reserving all of our contractual and legal rights, NEC is keen to continue to work with MBIE in accordance with the existing terms of the Time and Materials Agreement to achieve Go Live as soon as possible.

- 9(2)(j)

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9(2)(j) [Redacted]

(e) 9(2)(j) [Redacted]

(f) 9(2)(j) [Redacted]

(g) 9(2)(j) [Redacted]

The above is not an exhaustive list of areas where NEC disagrees with the statements and claims made in your letter, but provides some key examples and some key information of which your project team may not have properly apprised you.

9(2)(j) [Redacted]

Despite the above, and while reserving all of our contractual and legal rights, NEC is keen to continue to work with MBIE in accordance with the existing terms of the Time and Materials Agreement to achieve Go Live as soon as possible.

Yours sincerely

s 9(2)(a) [Redacted]

Keith Morrison
Chief Executive Officer
NEC Australia and New Zealand