

## 2. *Payment Procedures*

- (i) Payment to suppliers shall be made directly by CIDA, upon receipt of invoices from OCC in quintuplicate duly certified by OCC by an officer of the OCC duly authorized in that behalf; such invoices shall be accompanied by a copy of the Purchase Order together with evidence of delivery of the goods to a Canadian port in the form of copies of non-negotiable ocean and/or air freight bills of lading;
- (ii) Where direct purchases are made by OCC from outside of Canadian sources with the prior approval of CIDA, OCC may as an alternative payment arrangement to that provided in (i) above, establish Letters of Credit at the offices of a Canadian bank in Ottawa; such Letters of Credit will be confirmed by CIDA upon receipt of copies of the specific letter of credit and of the purchase contract concerned. Payment will be made direct to the Canadian bank in accordance with the terms and conditions of the Purchase contract and as indicated in the letter of credit concerned.
- (iii) Progressive payments may be arranged to suppliers for machinery and equipment that will be manufactured over a period of time, so as to allow reasonable recovery of production and related costs during the period of manufacture.
- (iv) Periodic statements of expenditures from the Loan account will be prepared by CIDA for OCC and CNCECT, as required.