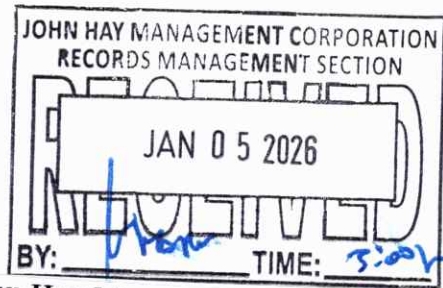


19 December 2025

MR. MANJIT T. SINGH REANDI

President and CEO
John Hay Management Corporation
John Hay Special Economic Zone
Baguio City



John Hay Management Corporation
a member of the BCDA Group
OPCEO-IN-2026-8

Dear **President Reandi**:

We are pleased to inform you that the BCDA Board during the meeting held on 18 December 2025 has approved John Hay Management Corporation's (JHMC) 2026 corporate operating budget in the amount of Php379,945,877, detailed as follows:

Particulars	BCDA Funded	JHMC Funded	Total
Estate Management Fees	131,214,816		131,214,815
Land Related Cost	147,110,188		147,110,188
Regulatory and Historical Core		42,696,182	42,696,182
Common Use Service Area		58,924,691	58,924,691
Total	278,325,004	101,620,873	379,945,877

The approval of the 2026 budget is subject to the following conditions:

1. The BCDA-approved budget should be approved by the JHMC Board prior to its implementation;
2. All expenditures should be disbursed within the approved budget. Supplemental budget and realignment of budget within the same expenditure group maybe allowed subject to the provisions of BCDA Financial Policy No. 503-1 (Request for Realignment and Supplemental Budget);
3. Prior written approval from BCDA and GCG shall be obtained in case of any change in the organizational structure that has present or future financial impact or increase in compensation package pursuant to Section 11 of Financial Policy No. 502-03, Republic Act (RA) No. 10149, Executive Order (EO) No. 95 and its implementing guidelines;
4. The approved budget shall be released based on the provisions of the Performance Agreement between JHMC and BCDA dated 17 September 2021, Estate Management Agreement dated 20 May 2025 and BCDA Financial Policy No. 504-1 (Budget Releases to Subsidiaries);



5. Personnel Services budget shall be subject to adjustment upon receipt of the Authority to Implement CPCS II pursuant to Executive Order No. 95 Series of 2025;
6. Procurement of infrastructure projects shall be in accordance with RA 12009;
7. Implementation of the following infrastructure projects shall be subject to the following:


Particulars	Remarks
Loakan Pedestrian Network	Detailed Engineering Designs and/or Conceptual Designs subject to BCDA's approval prior to procurement
Fire Station with Medical Clinic	For supplemental budget subject to the finalization of the location and cost estimates based on the master plan
Multi-level Parking	
Boardwalk Project	<ul style="list-style-type: none">• For supplemental budget, conceptual designs subject to BCDA's approval prior to procurement• Conceptual designs should be based on the master plan
Upgrading of STP at the John Hay Golf, at the back of Mile-Hi and along Loakan	For inclusion in the Operations and Maintenance of Permanent O&M Contract

8. Payment for the outstanding obligations shall be allowed provided that there is an allocated budget for the said obligations and the contracts for the subject infrastructure projects have been executed prior to 2026; and
9. Disbursement of the budget should be in accordance with the government budgetary, accounting and auditing rules and regulations.

Enclosed is JHMC's 2026 approved budget for your reference.

Thank you.

Very truly yours,


JOSHUA M. BINGCANG
President and CEO



**JOHN HAY MANAGEMENT
CORPORATION
SUMMARY
Budget Year 2026**

Particulars	2026 Approved Budget					2025 Approved Budget				
	Estate Management Fee	Land Related Cost	Regulatory and Historical Core	CUSA	Total	Estate Management Fee	Land Related Cost	Regulatory and Historical Core	CUSA	Total
Personnel Services	65,512,194				65,512,194	60,357,970				60,357,970
Maintenance & Other Operating Expenses	43,787,891	45,276,954	17,696,182	35,249,691	142,010,718	35,027,550	67,909,358	5,926,850	68,977,742	177,841,500
BOD Expenses	5,556,000				5,556,000	5,556,000				5,556,000
Capital Outlay	2,300,000	96,400,000	25,000,000	23,675,000	147,375,000	5,970,000	3,200,000	6,000,000	7,700,000	22,870,000
Value Added Tax	14,058,730	5,433,234			19,491,965	13,203,782	13,694,808			26,898,590
Total	131,214,815	147,110,188	42,696,182	58,924,691	379,945,877	120,115,302	84,804,166	11,926,850	76,677,742	293,524,060

Funded by JHMC Corporate Funds and Regulatory and Historical Core

Particulars	Regulatory and Historical Core	CUSA	Total
MOOE	17,696,182	35,249,691	52,945,873
Security Services	890,132	5,825,691	6,715,823
Professional Services	5,548,800	9,717,000	15,265,800
Environment/Sanitary Services	1,567,250	9,500,000	11,067,250
Janitorial Services	980,000	5,587,000	6,567,000
Advertising, Promotional and Marketing	5,060,000		5,060,000
Supplies & Materials	1,000,000	620,000	1,620,000
Water, Illumination & Power	830,000	2,000,000	2,830,000
R&M Building & Facilities	700,000	700,000	1,400,000
General Services	100,000	1,050,000	1,150,000
Representation Expenses	400,000		400,000
Insurance Expenses	380,000		380,000
Motor Vehicles		250,000	250,000
Rent Expenses	100,000		100,000
R&M Furniture & Fixtures	70,000		70,000
Communication Expenses	60,000		60,000
Printing and Binding	10,000		10,000
Capital Outlay	25,000,000	23,675,000	48,675,000
Camp John Hay Museum	25,000,000		25,000,000
Streetlighting in the JHSEZ		19,300,000	19,300,000
Rest Stops/ Waiting sheds: 5 units in the JHSEZ		4,375,000	4,375,000
Total	42,696,182	58,924,691	101,620,873

Subject to Actual Reimbursement

Particulars	Amount
Personnel Services	
Leave Monetization	2,575,425
Retirement Benefits	885,232
MOOE	
Travelling Expenses-Foreign	1,000,000
BOD Expenses	
Travelling Expenses	1,500,000
Meal Expenses	800,000
Training and Continuing Program	300,000
Total	7,060,657