

Personal / Confidential

Mr. Rudolf Elmer
PO Box 1100
Grand Cayman
BWI Grand Cayman

Zurich, 16 September 2002
SGE/ecf

**Employment with Julius Baer Bank and Trust Company Ltd., Grand Cayman
(JBBT-GCM)**

Dear Mr. Elmer

We are happy that you have agreed to continue your assignment with Julius Baer Bank and Trust Company Ltd., Grand Cayman (the Company) as the Chief Operating Officer. The terms of your employment will be changed from an Expatriate arrangement to a local contract with the Company. Accordingly we have agreed the following:

1. Employment Contract

Your Expatriate arrangement consisting of the Expatriate agreement with Bank Julius Baer & Co. Ltd., Zurich (BJB-ZRH) and your Assignment agreement with the Company respectively will end as per 31 August 2002. These agreements will be replaced by a local contract with the Company, effective 1 September 2002.

2. Pension Arrangement

Throughout your employment with the Company you may remain in the "Stiftung der Bär Gruppe" (Savings plan without risk insurance) in Switzerland with the respective employer contributions being paid by the Company. The employee's contributions are borne by you and will be debited directly to your account with BJB-ZRH. The risk benefits (in case of disability or death) are covered by the respective plan of the Company with Providentia.

The shadow salary, which serves as the calculation, is fixed at CHF 250'000 (i.e. insured salary: CHF 160'000) and will be reviewed if and when necessary and coordinated with your pension coverage under the pension scheme of the Company.

3. Federal Social Security Schemes

If you decide to remain insured in the Swiss Federal Security Systems (AHV/IV/ALV) all necessary arrangements and the costs involved are your responsibility as of 1 January 2002.

4. Schooling Expenses

Given the fact that your child by the Caymanian authorities is required to attend private schools and – in addition to that – does not qualify for any scholarship, we are prepared to contribute for the education of your child according to the following schedule:

Infants (kindergarten) and Primary	USD 3'500 p.a.
Secondary / 6th Form (A Levels)	USD 4'000 p.a.
Undergraduate *	USD 10'000 p.a.

(* towards costs for tuition, room, board, transportation, and books)

Above schedule applies, provided you are employed with the Company and your child has not reached the age of 25.

5. Conclusion of Your Assignment

On conclusion of your assignment with the Company we will do our utmost to offer you a suitable position with BJB-ZRH or within the Julius Baer Group.

Obviously the respective employment arrangement would have to be negotiated separately with no guarantee on rank and compensation.

May we kindly ask you to sign and return the enclosed copy of this agreement – thank you.

Finally let us take the opportunity to thank you for your commitment to Julius Baer. We wish you continued success in your challenging role!

Yours sincerely,
Bank Julius Baer & Co. Ltd.


Bernhard Hodler


Roland Haas