

Nicola
(29) 5

Julius Bär

JULIUS BAER BANK AND TRUST COMPANY LTD.

10th December 2002

Dear Mr Elmer

Employment Agreement Dated 10th September 2002

As you know, recent security breaches have resulted in a critical situation for Julius Baer Bank & Trust Company Ltd ("the Company"). The security clearance process outlined in the Company's letter to you dated 21st November 2002 was considered absolutely vital to its continued operations in Cayman. In particular, it would mean that senior management could implement new security measures throughout the Company and that further responsibilities could be dealt with by senior managers who had attained security clearance.

You were required to respond to these measures in a manner commensurate with the senior position you hold and with your experience. Instead, your attempts to defeat the process meant that you were unable to attain the new security clearance required for senior management. In addition, the Company has numerous other concerns in relation to your conduct, both in response to the new security measures and generally.

Your conduct amounts to a serious breach of trust and good faith and therefore a serious breach of the Company's Employee Guidelines.

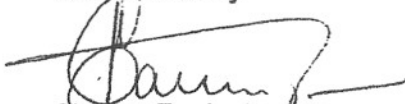
The terms of your employment with the Company are governed by your written Employment Agreement dated 10 September 2002 and the Company's Employee Guidelines. This letter serves as notice of the termination of your Employment Agreement.

Your employment is subject to termination on three months' notice. The effective date of termination is therefore 10th March 2003 and your remuneration and benefits will be calculated through until that date. However, you are neither required nor permitted to return to the office. Attached to this letter is an appendix setting out the termination provisions which will apply to you. If you would like to discuss any aspect of these provisions, then please contact me immediately.

The Employee Guidelines set out a grievance and appeal process which you are entitled to utilise. In your case, you have a right to appeal your termination to an Executive Committee of the Board of Directors.

We have received and considered correspondence from your Cayman attorneys in relation to your termination. The accusations in those letters, many of which are known by you to be inaccurate, will be addressed in correspondence between our attorneys.

Yours sincerely


Charles Farrington
Managing Director

only one signature
signing law!