

EXTERNAL AUDIT CONFIDENTIALITY AND DATA SECURITY AGREEMENT

This External Audit Confidentiality and Data Security Agreement (the "Agreement") is entered into as of _____, by and between:

Disclosing Party: _____, with its principal place of business at _____ (hereinafter referred to as the "Company"),

and

Receiving Party: _____, with its principal place of business at _____ (hereinafter referred to as the "Auditor").

The Company and the Auditor may collectively be referred to as the "Parties" or individually as a "Party."

1. PURPOSE

The Company wishes to engage the Auditor to perform certain professional audit and assurance services. In connection with these services, the Company may disclose to the Auditor certain proprietary, confidential, or personally identifiable information. The purpose of this Agreement is to ensure the protection, confidentiality, and security of all such information shared during the course of the audit engagement.

2. DEFINITION OF CONFIDENTIAL INFORMATION AND AUDIT DATA

- a. **"Confidential Information"** shall mean any and all non-public, proprietary, or sensitive information disclosed by the Company to the Auditor, whether orally, in writing, or in electronic or other form, including but not limited to financial records, business plans, customer data, employee records, proprietary source code, system architectures, and security reports.
- b. **"Audit Data"** refers specifically to any data, logs, database exports, configurations, or system outputs extracted from the Company's systems or provided by the Company for the performance of the audit.

3. CONFIDENTIALITY OBLIGATIONS

The Auditor agrees to:

1. Hold all Confidential Information and Audit Data in strict confidence and prevent its unauthorized disclosure to third parties.
2. Use the Confidential Information and Audit Data solely for the purpose of performing the agreed-upon audit and assurance services.
3. Restrict access to Confidential Information and Audit Data to only those employees, contractors, or partners who have a legitimate "need to know" to perform the audit services and who are bound by confidentiality obligations no less restrictive than those contained herein.

4. DATA SECURITY REQUIREMENTS

The Auditor shall implement and maintain robust administrative, physical, and technical safeguards designed to protect the security, confidentiality, and integrity of the Audit Data. These safeguards shall include, at minimum:

- Encryption of all Audit Data both in transit and at rest using industry-standard encryption protocols.
- Implementation of strict access controls and multi-factor authentication for any system or repository storing Audit Data.
- Ensuring that Audit Data is not stored on unsecured personal devices, unencrypted portable media, or unauthorized cloud storage services.
- Conducting regular vulnerability assessments and maintaining up-to-date antivirus and firewall protections on all systems used to access or store Audit Data.

5. SECURITY INCIDENT AND BREACH NOTIFICATION

In the event of any actual or suspected unauthorized access, acquisition, alteration, loss, or disclosure of Confidential Information or Audit Data (a "Security Incident"), the Auditor shall:

1. Notify the Company in writing immediately, and in no event later than _____ hours after becoming aware of the Security Incident.
2. Cooperate fully with the Company in investigating, mitigating, and remediating the Security Incident.
3. Bear any reasonable costs associated with the remediation of the Security Incident if caused by the negligence or willful misconduct of the Auditor.

6. TERM, RETENTION, AND DESTRUCTION OF DATA

- a. This Agreement shall commence on the date first written above and shall survive the termination or completion of the audit engagement.
- b. Upon written request by the Company, or within _____ days following the completion of the audit services, the Auditor shall securely delete, destroy, or return to the Company all Confidential Information and Audit Data in its possession.
- c. If the Auditor is required by professional standards, regulatory requirements, or law to retain copies of certain working papers containing Confidential Information, the Auditor may retain such copies strictly subject to the ongoing obligations of confidentiality and security set forth in this Agreement.

7. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of _____, without regard to its conflict of law principles. Any legal action arising under this Agreement shall be brought exclusively in the courts of _____.

IN WITNESS WHEREOF, the Parties hereto have executed this External Audit Confidentiality and Data Security Agreement as of the date first written above.

For the Company:

For the Auditor:

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date