



**CERTIFIED EQUITY
PROFESSIONAL INSTITUTE**

Exam Dates

May 16 – 23rd

***Registration deadline:
April 15, 2022***

October 31 –

November 5th

***Registration deadline:
September 30, 2022***

This handbook is
subject to periodic update.
The version posted on the CEP
Institute web site represents the most
current CEP Institute policies
and procedures.

2022 Certification Information Handbook

**Certified Equity Professional Institute
Santa Clara University
500 El Camino Real
Santa Clara, CA 95053-0400**

cepi@scu.edu • Tel 408-554-2187 • cepi.scu.edu

Table of Contents

About Us

4

Introduction

5

Purpose of Certification	5
Use of Certification	5
Maintaining Certification	5
CEP Institute Exams and Experimental Questions (Items)	6
Course Level Description	7
Exam Subject Matter by Discipline	8
CEP Institute Study Materials	8

Registering for the Certification Courses

9

Eligibility	9
Test Dates and Registration Deadlines	9
Suggested Registration Deadlines for International Candidates	8
Exam Locations	9
Alternate Exam Locations for Non-US Candidates	9
Alternate Exam Dates or Accommodations	9
Course Fees and Candidate Status	10
Fee Schedule for Candidates Within the Contiguous United States	
Fee Schedule for Candidates Outside the Contiguous United States	11
Discounts	11

Registration Instructions

12

Personal Information	12
Course Level/Registration	12
Type Exam Location Payment	12
Information	13
Study Groups	13
Submitting the Registration	13
Print the Confirmation Notice	13

After Registering for the Exam

14

Materials Shipment	14
Admission Ticket to the Exam Site	14
Address Change	14
Test Center Change	14
Exam Date Change (Deferrals)	15
Cancellation Refund Policy (Withdrawal)	15
Exam Preparation	15
Study Groups	16

On the Day of the Exam

17

Table of Contents

Report to the Test Center	17
What to Bring to the Exam – Required Items	17
What to Bring to the Exam – Optional Items	17
What NOT to Bring to the Exam	18
Exam Start and End Times	18
Test Center Rules – Do's and Don'ts on Test Day	18
Collusion	18
Test Center Closing, Delayed Starting Times, and Exam Cancellation	19
Medical and other emergencies	19
Failure to Take the Exam	19
After the Exam	
20	
How the Exam is Scored	20
How the Passing Score is Determined	20
Exam Results	20
Distribution of Exam Results	21
Duplicate Reports or Release of Information to Third Party	21
CEP Institute Certification	21
Continuing Education Requirements	21
Frequently Asked Questions	
22	

About Us

Santa Clara University is the oldest institution of higher learning in the state of California and is located in the heart of Silicon Valley. The Jesuit Catholic University offers a rigorous undergraduate curriculum in the arts and sciences, business, and engineering. It has nationally recognized graduate and professional schools in business and law.

The **Certified Equity Professional Institute (CEP Institute)** is a unit of the Executive Development Center at Santa Clara University. The Institute's mission is to promote educational and practice standards for the equity compensation industry. The CEP Institute is the professional certification body for the field of equity compensation. The Institute oversees the development of course curriculum, reference materials, and certification exams. Utilizing an advisory board and certification council composed of academic and practicing subject-matter experts the CEP Institute continuously develops and maintains a vital curriculum. Individuals who pass the Institute's three exams and therefore demonstrate a comprehensive understanding of the equity compensation body of knowledge are awarded the CEP certification.

Contact Information

Certified Equity Professional Institute
Silicon Valley Executive Center
Santa Clara University
500 El Camino Real
Santa Clara, CA 95053-0400

Tel 408-554-2187

cepi@scu.edu

cepi.scu.edu

Purpose of Certification

Certification is an essential tool for maintaining high professional standards. The equity compensation field requires knowledge and practical skills in several core disciplines including:

- Accounting
- Corporate and Securities Law
- Equity Plan Design, Analysis, and Administration
- Taxation

The certifications conferred by the CEP Institute are the only industry accepted measure of a person's comprehensive understanding of the equity compensation body of knowledge. These certifications provide an industry recognized standard for job related knowledge and national recognition of professional achievement in the equity compensation field. They are also excellent aids for career advancement.

Use of Certification

The programs are voluntary in nature, and the certifications are conferred by the CEP Institute for those purposes stated above. Those persons or organizations that choose to incorporate CEP Institute certifications as a condition of employment or advancement do so of their own volition. Such persons must determine for themselves whether the use of such a certification process, when coupled with any other requirements imposed by such persons, meets their respective needs and complies with any applicable laws.

Maintaining Certification

To protect and enhance the reputation of the CEP designation, CEP and ECA designees are required to complete 30 hours of industry-related continuing education (CE) every two years in order to continue using their designation. The continued growth in numbers is a testament to the increasing professionalism of designees and the respect the designation has earned within the industry. The adoption of a CE requirement ensures that the CEP and ECA designations remain the preeminent symbol of knowledge and integrity within the equity professional field.

Those who do not keep their certification current are indicated as such on the website and can be reinstated by contacting the CEP Institute and following the recertification process.

CEP Institute Exams and Experimental Questions (Items)

Certification is awarded upon passing a sequence of exams, noted below:

AECA Certificate

Candidates must take and **pass the AECA exam** to be awarded the certificate. There are no exceptions. Each test is a comprehensive exam that varies in terms of the cognitive level of the questions being asked. The AECA exam covers financial reporting as it relates to equity compensation, including ASC 718 and other standards.

ECA Designation

Candidates must take and **pass the Level 1 ECA exam** to be awarded the certification. There are no exceptions. Each test is a comprehensive exam that varies in terms of the cognitive level of the questions being asked. The Level 1(ECA) exam questions tend to be definitional, and covers basic topics related to the equity industry.

CEP Designation

Candidates must take and **pass all three exams** to be awarded the certification. There are no exceptions. Each test is a comprehensive exam that varies in terms of the cognitive level of the questions being asked. The Level 1(ECA) exam questions tend to be definitional and basic concepts, whereas Level 2 and Level 3 questions tend to focus on application and the synthesis of concepts. The exam questions cover a wide range of topics, and are developed from the readings outlined by the course syllabi.

Beginning in 2012, exams contain 10% experimental items. These items are integrated throughout the exam, are not identified as experimental, and **will not be reflected in the exam score**. Experimental items are questions that are being tested for possible use as a scored item in the future. They are necessary to reduce the time required for exam scoring on future exams. Exam duration has been adjusted to account for the added experimental items.

Exam construction is as follows: Levels 1 and 2, 110 multiple choice questions (100 scored, 10 experimental); Level 3, 77 multiple choice questions (70 scored, 7 experimental).

Candidates have four (4) hours to complete each exam. All exams are open book, as the PDF copies of the texts will be available onscreen during the exam.

Course Level Description for ECA and CEP Course:

Course Level	Course Description
Level 1/ECA: Fundamentals in Equity Compensation	<ul style="list-style-type: none">• A basic understanding of corporations and the frameworks for corporate governance and finance• An understanding of why corporations use equity compensation• The ability to differentiate between types of equity compensation• A working knowledge of the terminology of equity compensation plans• A familiarity with the basic administrative procedures necessary to effectively administer an equity compensation program• The ability to read and interpret plan documents
Level 2: Equity Compensation Administrator	<ul style="list-style-type: none">• A thorough working knowledge of the basic tax, accounting, securities law, and corporate law aspects of equity compensation plans• A thorough understanding of certain common equity compensation-related transactions and issues• Familiarity with the specific code and regulatory provisions applicable to equity compensation programs• Familiarity with global implications of equity compensation plans
Level 3: Certified Equity Professional	<ul style="list-style-type: none">• Identification, analysis, and resolution of complex problems, with particular emphasis on situations that require an understanding of the interaction between several technical areas• An understanding of special equity compensation transactions and issues, such as issues related to corporate governance.• An understanding of cash-based equity compensation programs, as well as an in-depth understanding of advanced employee stock plan financing methods and certain complex tax and accounting issues• Advanced understanding of global implications of equity compensation plans

Course Level Description for AECA Certification:

Course Level	Course Description
AECA Certificate	<ul style="list-style-type: none">• The implications of policy-level decisions, including those around amortization approaches, valuation models, and forfeiture application methodologies• The practical application of expense measurement and recognition, including the effect of different variables on valuation of grants• Accounting for the tax effects of equity compensation• Calculation of earnings per share• Reporting and disclosures required under ASC 718• Journal entries

Exam Subject Matter by Discipline (CEP/ECA)

This chart below depicts the relative percentage of questions by discipline for each of the CEP Institute comprehensive exams. The percentages reflected in the chart are for **scored items only**.

Functional Area	ECA/Level 1 Percentage Weighting	Level 2 Percentage Weighting	Level 3 Percentage Weighting
Equity Plan Design, Analysis, and Administration	33%	26%	26%
Accounting	12%	20%	24%
Corporate and Securities Law	25%	28%	26%
Taxation	30%	26%	24%

CEP Institute Study Materials

The CEP Institute updates materials each calendar year. All materials necessary for an upcoming exam are emailed to candidates upon their registering for the exam. These materials are included with the registration fee, and candidates do not have to purchase any additional materials. For 2022, the study materials consist of:

All Levels:

- CEP Study Guide
- *Selected Issues in Equity Compensation*, Scott Rodrick
- *The Stock Options Book*, Alison Wright, Alisa Baker, and Pam Chernoff
- *Consider Your Options*, Kaye Thomas
- *Equity Alternatives*, Scott Rodrick
- *GPS 2022 4-in-1 Volume: Employee Stock Purchase Plans section*

Level Two and Level Three

- *Accounting for Equity Compensation*, Barbara Baksa
- *GPS 2022 4-in-1 Volume: Restricted Stock and Restricted Stock Units section*

Level Three

- *GPS 2022 4-in-1 Volume: Global Stock Plans and Performance Awards sections*
- *Advanced Topics in Accounting for Equity Compensation*, Takis Makridis

Advanced Equity Compensation Accounting Certificate

- CEP Study Guide
- *Accounting for Equity Compensation*, Barbara Baksa
- *Advanced Topics in Accounting for Equity Compensation*, Takis Makridis
- *Selected Issues in Equity Compensation*, Scott Rodrick
- *The Stock Options Book*, Alison Wright, Alisa Baker, and Pam Chernoff
- *Equity Alternatives*, Scott Rodrick
- *Journal Entries for Stock Compensation*, NASPP

Registering for the Certification Courses

Eligibility

The program is for individuals who work within the equity compensation field. While it is not required, the CEP Institute recommends that candidates have at least one year of equity compensation work experience prior to registering for the Level 1(ECA) exam.

Course Level	Recommended Pre-requisite
Level 1 (ECA)	Less than two years of equity compensation experience
Level 2	Passed Level One, and > Two years of equity compensation experience
Level 3	Passed Level Two and exposure to various types of multidimensional plans
AECA Certificate	An understanding of the basics of equity compensation

For more detailed information please visit the website at <http://www.scu.edu/business/cepi/>.

Test Dates and Registration Deadlines

In order to register for an exam, the CEP Institute must receive your completed registration with payment by the enrollment deadline. Registration cannot be processed without payment, nor can payment be processed without identifying registrant information. Any delay due to the above is considered the responsibility of the candidate.

Test Date	Registration Deadline
May 17 – 22nd	April 15, 2022
October 31 – November 5th	September 30, 2022

Exam Locations

The CEP Institute exams are now available through Pearson VUE testing centers located across the country and internationally. Once a candidate registers, they will receive an email from Pearson VUE asking them to choose a date, time, and location at one of Pearson VUE TESTING centers during the testing window mentioned above. The remainder of the registration process will be done on Pearson VUE's portal. For more information on Pearson VUE locations, please see their [website](#).

The CEP Institute also offers exams through ProctorU, a remote testing platform. Once a candidate registers, they will also receive an email from ProctorU, asking them to select a date and time to take the test from home.

All candidates have the option of sitting for the exam either in person, at Pearson VUE centers, or remotely, through ProctorU.

Alternate Exam Dates or Accommodations

The CEP Institute will make alternate testing arrangements for those candidates who, because of religious beliefs, cannot test on the predetermined exam dates. A written request for such arrangements should be sent to the CEP Institute along with a letter from the leader of your religious community. The CEP Institute will also make alternate exam arrangements for those candidates who, because of a disability, require special accommodations. A written request for such arrangements, from a licensed physician, optometrist, social worker or psychologist (including title, address, and telephone number on letterhead) should be sent to the CEP Institute describing the disability and the site accommodation requested.

All requests for alternate test dates and/or special accommodations must be received before the registration deadline. Requests made after the deadline may not be honored.

Course Fees and Candidate Status

The course fees for the each of the certification exams and accompanying study materials are represented in the following tables. **All fees below pertain to the ECA, AECA, and CEP exams.** The first table lists the fees for exams administered within the contiguous United States. The second table shows the fees for all other exams. Please reference the correct table when determining the fee for an exam. Please reference the correct table to determine the applicable exam fees.

Fee Schedule for Candidates Within the Contiguous United States

Registration Type	Description	Fee Amount
Enroll	First time candidates for each level within the contiguous United States.	\$1895 per level.
Retest within the contiguous U.S.	Candidates who have received a non-passing score and wish to register for the same level again.	\$450 if new test date <i>year</i> is within one calendar year of original test year. \$600 if the new test date <i>year</i> is more than one calendar year from original test year.
Deferral within the contiguous U.S. (deferral request must be received prior to deadline.)	Registered candidates who wish to defer their registration to a later exam administration.	\$350
Late deferral within the contiguous U.S.	Candidates who do not defer by the deferral deadline who wish to defer their registration to the next exam administration. Request for deferral must be made at least five days before the exam date.	\$500
No Show Candidate within the contiguous U.S.	Registered candidates who fail to sit for their exam either in person or online during the exam week forfeit their exam registration fee.	Exam registration fee is forfeited. Reenter program as new registration.

All prices are in U.S. dollars

Fee Schedule for Candidates Outside the Contiguous United States

Registration Type	Description	Fee Amount
Enroll outside of the contiguous U.S.	First time candidates for each level outside the contiguous United States.	\$1,899 per level.
Retest outside the contiguous U.S.	Candidates who have received a non-passing score and wish to register for the same level again.	\$499 if new test date <i>year</i> is within one calendar year of original test year. \$699 if the new test date <i>year</i> is more than one calendar year from original test year.
Deferral outside the contiguous U.S. (deferral request must be received prior to deadline.)	Registered candidates who wish to defer their registration to a later exam administration.	\$399
Late Deferral outside of the contiguous U.S.	Candidates who do not defer by the deferral deadline who wish to defer their registration to the next exam administration. Request for deferral must be made at least five days before the exam.	\$499
No Show Candidate outside the contiguous U.S.	Registered candidates who fail to sit for their exam either in person or online during the exam week forfeit their exam registration fee.	Exam registration fee is forfeited. Reenter program as new registration.

All prices are in U.S. dollars

Discounts

The CEPI offers a \$200.00 discount (known as the Successful Student Discount) to all those who sign up for the next exam after passing a previous one. If you register and pass an exam, and then sign up for the next exam offering, this discount will be applied automatically to your exam registration fee. This only applies to subsequent exam, so if you wait for one period or more to register for your next exam, you will not be eligible for this discount.

Registration Instructions

In order to enroll for certification, each candidate must complete the online registration process. This provides the CEP Institute with the information necessary to manage the registration and administration processes for all candidates. Information collected includes demographic data which provides critical information used in the on-going development of policies, procedures, and curriculum. To access the online registration system, please go to the CEP website at www.scu.edu/business/cepi/.

Personal Information

In the CEPICONNECT system, complete the personal information for the course registrant. The online registration system requires that all fields be completed. Email is the primary method of communication used by the CEP Institute to provide candidates with updated information, so please make sure this and all other information provided is accurate and complete.

Course Level/Registration Type

Review the following guidelines to assist you in determining whether you are eligible to enroll, defer or retake your exam. **All new CEP candidates must enroll for Level 1.** There are NO exceptions. Those who have successfully completed Level 1 are eligible to take Level 2, and those passing Level 2 are eligible to take Level 3. **Successful completion of an exam level does not expire** – candidates are only required to pass Level 1 and Level 2 once – regardless of the amount of time that has lapsed between exam levels. Candidates who wait more than one year between exam levels are cautioned to allow extra study time. Each level builds on the lower levels – therefore, the current Level 2 exam will include materials from the current Level 1 exam. If a candidate passed the Level 1 exam more than one year ago, the candidate should plan on reviewing the current study materials for Level 1 in addition to the Level 2 materials to adequately prepare for the Level 2 exam.

Refer to the table below to determine the registration type for which you qualify.

Registration Type	Who qualifies for the registration type?
Enroll	Candidates who have not previously registered for the requested course or who are re-entering the program from a previous withdrawal or a no show status.
Defer	Registered candidates who wish to reschedule to another exam during the current open registration window. For a schedule of deferral deadlines, please read the instructions on Exam Date Change. Candidates are limited to two deferrals per exam registration.
Retest	Candidates who have received a non-passing score report and are registering to take the exam at a future scheduled administration.

Exam Location

Candidates will select their exam testing location through Pearson VUE. They will not select their location during the initial registration process. All registered candidates will receive an email in the weeks following their registration, asking them to select a preferred date and time within the exam window. If a candidate opts to test via ProctorU, our remote proctor, then they will not have to select a location, as they will be testing from home.

Payment Information

There are two methods of paying—credit card or company payment code.

If paying by credit card, be sure to print out the confirmation page for your records. You will NOT receive any additional receipt from the CEP.

If your company has been issued a payment code from the CEP Institute, you may enter this code to register without entering credit card information. The code can be obtained from the owner of the code – i.e. your employer. The use of a payment code establishes an agreement between the test candidate and the employer. The employer who established the code agrees to pay the exam registration fees for the candidate and the candidate agrees to the terms and conditions of the code. **In many cases, the employer will require the candidate to release their score report to the employer. It is the responsibility of the test candidate to know and understand the terms and conditions of the payment code. The CEP Institute will not be held responsible for misuse of the code by the test candidate or the employer.**

Study Groups

If you select “yes” to participate in a study group, the CEP Institute will release the following information to other candidates seeking to assemble study groups: name, daytime phone number, email address, and course level. Study groups are voluntary and are convened by the candidates themselves. Contact information is released after the registration deadline.

Submitting the Registration

By submitting the registration, you agree to the CEP Institute policies and guidelines in this handbook.

Print the Confirmation Notice

Please print the confirmation notice that appears once you submit the registration for your records.

After Registering for the Exam

Once a candidate has registered, they will receive an email with a link to all the required study materials, in PDF form. No hard copies of any materials will be sent to candidates. You DO NOT need to purchase any additional texts, as the PDF versions of the materials are included in the cost of registration. Some candidates may want to study with hard copies of the materials. If so, you are welcome to purchase the hard copy versions of the text through NCEO. However, please note that you **cannot** bring any of the hard copy materials into the exam with you. PDFs of the texts will be provided onscreen during the exam.

The CEP Study Materials contain a detailed reading list and syllabus for all three exam levels and the AECA.

Test Center Change/Testing Method Change

If you need to change your testing location after confirming a date and time, you must notify Pearson VUE by logging into your account, and following their procedure to reschedule your exam. Please note that not all testing locations may be available on all testing dates.

If you wish to change from a Pearson Vue Exam to a ProctorU exam (or vice versa), please notify the CEPI via email, and make sure to cancel any exams you will no longer be taking, to avoid any potential no-show fees.

Exam Date Change (Deferrals)

If you are unable to take an exam on the date for which you registered in the exam period, you may defer your registration using the online registration system. You may only defer to the next regularly scheduled exam sessions. Please refer to the table below for deferral deadlines.

Originally Scheduled Exam Date	May Defer To:	Deferral Registration must be received by
May 16 - 23rd	Oct 31 - Nov 5th	April 29, 2022
Oct 31 - Nov 5th	May 2023	October 14, 2022

*2022 exam dates subject to change

There is a fee to defer an exam once a candidate has registered. Deferral fees are outlined in the [Course Fees and Candidate Status](#) section of this handbook. Deferral requests submitted after the deadline are subject to the additional fees and restrictions outlined in the [Course Fees and Candidate Status](#) section.

Cancellation Refund Policy (Withdrawal)

If you wish to withdraw from the exam, you will forfeit a portion of your exam fee in accordance with the following schedule. Program withdrawal may be made by notifying the CEP Institute in writing prior to the deadlines listed below. *The refund policy is applicable only within the original registration window.* **Please note: deferral and retest fees are non-refundable. Once an exam has been deferred, the original registration fee is non-refundable.**

Test Date	Withdrawal Deadline	Refund Amount
May 16 – 23rd	May 1, 2022	50% tuition
Oct 31 - Nov 5th	October 16, 2022	50% tuition

Candidates withdrawing **after** the deadline according to the above schedule are not eligible for a refund. All candidates who withdraw must re-enter the program as a new candidate (i.e. pay the full registration fee for a new exam).

Exam Preparation

The CEP curriculum has been developed as a self-study program. The core of this program is the syllabi and reading lists which are in the study materials. The course syllabi are itemized lists of all topics that are addressed in each level. The detailed reading lists link each topic on the syllabi to specific sections of the reference materials. Used together, the syllabi and reading lists guide the candidate through all of the subject matter covered on the exams.

All exam questions are derived from the assigned readings. Therefore all candidates should complete all of the assigned readings for each level.

The CEP Study materials contains a Review Guide designed to assist candidates with selected portions of the assigned reading material. This review guide is not sufficient for exam preparation, but is a valuable study tool.

The CEP Institute Exam Overview Webinars are another study aid. The CEP Institute will open the webinars for use approximately five weeks before the exam. The CEP Institute offers webinars for each main discipline (Accounting, Corporate & Securities Law, Equity Plan Design, Analysis & Administration, and Taxation) for each exam level providing an online review session of key curriculum topics. All webinars will be available 24 hours a day, 7 days a week. There is no limit to the number of times a candidate can access a session. Access information will be distributed via email approximately five weeks before the exam. It is the responsibility of the candidate to ensure the CEP Institute has a valid email address for the candidate on file.

In addition, course reviews are often offered by industry organizations such as Global Equity Organization (GEO), National Association of Stock Plan Professionals (NASPP), National Center for Employee Ownership (NCEO), stockplanadministrator.com, Stock & Option Solutions (SOS), and others throughout the year. Although the CEP Institute makes this information available to candidates, the CEP Institute does not endorse educational programs—it is up to the candidates to determine whether the program is suitable to their needs.

The CEP Institute does not provide sample exam questions to exam candidates or to any industry organization. Candidates should be aware that all sample questions offered by industry organizations were developed outside of and independent of the CEP Institute.

FOR THOSE TESTING IN PERSON VIA PEARSON VUE:

Report to the Test Center

On the day of the exam, please report to the testing center at the time listed on your confirmation with Pearson VUE. Please leave ample time for locating the testing facility, parking your vehicle or compensating for traffic or the weather. Candidates arriving after the proctor begins reading the instructions for the exam will not be allowed to test and will be required to re-register for the next exam.

What to Bring to the Exam – Required Items

- Photo Bearing ID; (preferably government issued such as a driver's license, passport, military ID, etc.). **You must have photo identification.**

Candidates failing to bring the Photo ID will not be admitted to the exam room and will be considered a No Show. See the section titled [Failure to Take the Exam](#) for details on a No Show status.

What to Bring to the Exam – Optional Items

- Watch – to pace yourself during the exam – NOT an Apple Watch or similar device.
- Jacket or sweater – dress in layers. While every attempt is made to provide a quiet, comfortable room for the test, the CEP Institute cannot guarantee that the environment will meet your personal comfort level.

What NOT to Bring to the Exam

- **No** personal items, including but not limited to mobile phones, hand-held computers/personal digital assistants (PDAs) or other electronic devices, pagers, watches, wallets, purses, firearms or other weapons, hats (and other non-religious head coverings), bags, coats, jackets, eyeglass cases, pens, or pencils, are allowed in the testing room. **No** barrettes or hair clips that are larger than 1/4 inch (1/2 centimeter) wide and headbands or hairbands that are larger than 1/2 inch (1 centimeter) wide are allowed in the testing room. **No** jewelry that is removable and larger than 1/4 inch (1/2 centimeter) wide is allowed in the testing room. **No** books and/or notes are allowed in the testing room unless authorized by the test program sponsor for your use during the test. You must store all personal items in a secure area as indicated by the TA or return them to your vehicle. If you refuse to store your personal items, you will be unable to test, and you will lose your test fee. All electronic devices must be turned off before storing them in the designated secure area.
- No physical testing materials or hard-copy versions of the materials, notes, or any physical paper will be allowed into the exam
- You will be asked to empty your pockets for the purpose of allowing the TA to verify that nothing is in them. If you have hair that covers your ears, you may be asked to show them for the purpose of allowing the TA to verify that no Bluetooth devices are present. The TA may also ask you to roll up your sleeves to verify that you have no writing on your arms. Before you enter the testing room, you will be asked to pat yourself down (for example: arms, legs, and waistline) to show there is nothing hidden on your body. The test center is not responsible for lost, stolen, or misplaced personal items. **Studying IS NOT allowed in the test center.**
- Some test program sponsors require TAs to collect a digital photograph and/or digital signature and may digitally authenticate your ID. This is done to verify each candidate's identity and to protect the security and integrity of the test. If required, the TA will obtain this information from you before you enter the testing room. You understand that if there are discrepancies during the check-in process you may be prohibited from entering the testing room, you may not be allowed to reschedule your test appointment, and you may forfeit your test application fee. The identification requirements used during the check-in process are defined by the test sponsor, and the TA has no flexibility to add, delete, or

alter this process. Upon entering and being seated in the testing room, the TA will provide you with those materials authorized by the test program sponsor for your use during the test to make notes or calculations on, and you will be provided any other material as specified by the test program sponsor. **You may not remove any of these materials from the testing room or begin writing on your noteboard until your test has been started.** If you need new or additional materials during the test, you must raise your hand. You must return all items and materials to the TA immediately following the test.

- Cigarettes, chewing tobacco, cigars, chewing gum etc... - No eating or smoking of any kind

FOR THOSE TESTING REMOTELY VIA PROCTORU:

Before Logging In To Take Your Exam:

1. Have a government-issued I.D. (or other form of ID allowed by your institution or testing organization) ready and be located in a private, well-lit room with no one else around you.
2. Clear your workspace from all materials except those allowed by your instructor.
3. Close all third-party programs and unplug any secondary monitors.
4. Remove any non-religious head coverings.
5. Make sure you've downloaded the ProctorU extension for either Chrome or Firefox.

What Happens During the Exam Launch Process?

This process will likely take between 8 to 10 minutes unless you experience technical difficulties (be sure to test your equipment before test day to minimize the chance you'll have technical issues), in which case we can assist you with fixing your equipment. This time is not subtracted from the time you're allowed in your exam.

What NOT to have when testing remotely

- **No** personal items not related to the exam, including a cellphone, wallet, notebook, or any other items on desk/within arm's reach
- Scratch paper – you may use one erasable white board (of any size) to take notes. **No other scratch paper is allowed.**
- Text books, bound documents or loose leaf papers that are not on the reading list or syllabus for the exam level.

Exam Start and End Times

All candidates will have four hours to complete the exam. Candidates completing the exam in less than the scheduled time will be allowed to leave the testing room. In no case may candidates leave the testing room until dismissed by the proctor.

Collusion

It is possible to detect collusion in multiple choice exams in a statistical way by examining the patterns of answers between pairs of candidates. Through our test provider, CPS, statistical analyses is performed on CEPI exam results to detect anomalous candidate pairs or groups. Anomalous pairs are subsequently assessed in terms of exam centers. The CEPI reserves the right to withhold or invalidate candidate scores when there are statistically significant irregularities in the data or when there is evidence of candidates engaging in any form of academic dishonesty, including copying the work of another person, stealing exam

content, using a proxy text taker and other acts generally understood to be dishonest in an academic context. All exam candidates will be asked to sign a statement to show that they acknowledge and agree to this course of action.

Test Center Closing, Delayed Starting Times, and Exam Cancellation

Adverse conditions (such as extreme weather or a local power failure, or a pandemic) or other circumstances at a test center may make it impossible to test or may require that the beginning of testing be delayed from one to four hours at a center. Applicants registered for a center that must be closed or where testing will be delayed will be notified, **if possible**, at the phone number or email address given on your application. If your exam location has been cancelled, Pearson VUE will attempt to reschedule you at your earliest convenience.

Circumstances before or during an exam administration may make it necessary for the CEP Institute to cancel an entire center's testing. Should it be determined that the exam administration at a center must be canceled, the scores of affected candidates will be nullified and the candidates will be rescheduled.

If a test center must be closed before an exam date, all applicants scheduled for the affected center will be notified by email or telephone of the new facility's address and location. When an administration is canceled during or after an exam, refund and reschedule options will apply only to candidates who reported to the affected test center.

The CEP Institute will not reimburse any expenses (other than the exam registration fee) incurred by candidates when an exam administration is canceled or relocated.

Medical and other emergencies

If you experience an emergency within 48 hours of the exam and are unable to test, you must contact the CEPI and **provide written documentation** of the event (doctor's report, hospital admission record, police report, etc.) The CEPI will review these on an individual basis. Medical deferments can be granted up to 48 hours before the exam.

Failure to Take the Exam

If you fail to take the exam during your assigned date/time for ANY reason (and you have not deferred the exam), including arriving late at the testing center, you will be considered a No Show. A No Show candidate forfeits their exam registration fee and must reenter the program as a new test candidate. The candidate must contact the CEP Institute in order to register for any exams.

How the Exam is Scored

The CEP Institute scores the exams electronically and convene a standard setting panel to work with a psychometrician on a series of complex statistical calculations to verify that each exam question performed appropriately. Next, we allow two weeks to investigate any anomalous results that the first statistical analysis found. Finally, we allow two weeks in case any of the results have to be appealed to the Certification Council. If there is a question that an exam item might have been misinterpreted, it goes to the council. Also, any scores that fall within 3 points of passing are automatically rescored and evaluated during this time.

If you receive a non-passing score, you may request a hand-score of your answer sheet for a \$75 fee. The fee can be paid using a credit card, check or money order. Send a written request for hand scoring and the fee to the CEP Institute. Hand score requests must be received by the CEP Institute within 90 days of receiving your exam results. Hand scored exam results will be returned to the candidate within six (6) weeks after payment is received. Please note that ALL exams that are within three (3) points of the passing score are automatically hand scored.

How the Passing Score is Determined

To allow for consistency and ease of interpretation, candidates' scores have been changed from a raw score (i.e., number correct) to a scaled score. Specifically, the results are converted to a scale that ranges from 200 to 800. Scores from 500 to 800 are passing scores. Your score report, which breaks down your numerical, scaled score, will be sent to you via email a week following your score reveal in CEPICONNECT.

What is scaled scoring?

To allow for consistency and ease of interpretation, candidates' scores are changed from a raw score (i.e., number of test questions answered correctly) to a scaled score. Scaled scoring simplifies the interpretation of candidate scores on different certification tests. It enables the scoring of tests with different numbers of questions, difficulty levels, and pass points to be reported in the same way to test takers.

Specifically, a candidate's raw score is changed to a scale that ranges from 200 to 800, where 500 is the pass point. Therefore, regardless of how the test difficulty changes over time (e.g., May exam versus the November exam), the scores are reported and interpreted in the same way. That is, a score from 500 to 800 will always indicate a passing score, and a score from 200 to 499 will always indicate a failing score.

Why are the scores scaled?

Scaled scoring is important because in order to maintain the programs' accreditations, the tests' content must be kept up to date and must reflect the current state of the industry. Doing so is accomplished by changing test questions periodically to prevent candidates from taking the same test repeatedly. Therefore, all of an agency's tests change over time. With each change, the exact content of each test is modified slightly. After each test is updated, the pass point is assessed to see if it needs to be adjusted to ensure that only qualified individuals are certified.

How do I interpret my test score?

The CEPI exams are now reporting candidates' scores as scaled scores. The scores range from 200 to 800, with 500 being the minimum score required to pass. That is, if you answer every item incorrectly, your score will be 200, and if you answer every item correctly, your score will be 800. If you have a score from 500 to 800, you pass. If you have a score from 200 to 499, you fail. This way, you can interpret your scores on any test in the same way, regardless of which test you take or when you take it.

Exam Results

Results will be emailed within approximately 6 – 8 weeks following the exam. For confidentiality purposes, the CEP Institute will not provide exam results by telephone. If you have not received your exam results within eight (8) weeks after the date you tested, please contact the CEP Institute at cepi@scu.edu to request a copy of your score report. Pass/Fail information is posted to the candidate's online registration account 48 hours after the exam results have been mailed.

The exam results include the following information:

- Scaled exam score
- The passing score of the exam
- Pass or Fail status
- Percentage correct in each of the subject areas

If you have questions concerning your exam results, you should direct them in writing to the CEP Institute. However, because of the need to maintain exam security, copies of your answers will **not** be made available for review of questions and answers. The CEP Institute certification exams are the legal property of Santa Clara University and the CEP Institute. **The CEP Institute does not provide a list of the questions candidates answered correctly or incorrectly.** The only information provided to candidates regarding the exam will come from the score report.

Distribution of Exam Results

Score reports will be sent to the registered candidate. The CEP Institute will release a copy of the score report to the candidate's employer **ONLY** if the following conditions are met:

- The candidate has registered for the exam using a **payment code** obtained from the employer **AND**
- The candidate has signed the **CEP Institute Release Form** authorizing the CEP Institute to release the score report to the employer.

A copy of the exam result CEP Institute Release Form can be obtained by requesting the form by email to cepi@scu.edu.

Duplicate Reports or Release of Information to Third Party

If you require a duplicate score report of your exam results, please send your request to the CEP Institute. Indicate the level and date of the exam for which you wish to receive the score information.

If you wish to release your exam history, current status, or an individual score report to a third party, you must submit a signed release form to the CEP Institute. Information will not be released to any party other than the candidate without a signed release form.

CEP Institute Certification

Candidates who successfully complete the three course levels are awarded the Certified Equity Professional designation. A candidate who passes the ECA exam will receive a certificate confirming passage of the ECA. Certificates acknowledging this achievement are mailed to candidates approximately 12 - 14 weeks after receiving the passing score.

Continuing Education Requirements

Continuing Education requirements for maintaining the CEP and ECA designation are posted on the CEP Institute website, under "Current CEPs."

Frequently Asked Questions

The following is list of some frequently asked questions. More questions and answers are on the CEPI web site at <https://www.scu.edu/business/cepi/become-a-cep/faq/>.

Q: What are the benefits of certification?

Certification indicates a candidate has demonstrated a comprehensive understanding of the equity compensation body of knowledge.

The median salary of Certified Equity Professionals is 24% higher than equity compensation professionals as a whole (based on a survey conducted in 2007). A survey of CEP designees found they gained greater confidence and recognition, grew professionally with their company and earned more responsibilities and technical knowledge as a result of certification.

Q: How long does it take to obtain certification?

The minimum time between initial registration and completion of all three CEP exams is approximately 14 months. If you are pursuing just the ECA designation, you can earn that by passing just one exam, offered twice a year.

Q: What is the total cost of the CEP certification program?

For 2022, the total cost is approximately \$5685 for US based exam candidates: $\$1895 \times 3 = \5685 for the three exam registration fees. Materials are included in this cost. Fees for the ECA and the AECA are listed on the Course Fee section of this handbook. Non-US fees are slightly higher and are listed in the Course Fee section of this handbook (page 11).

Q: After initial registration, how long do I have to complete the program?

There is no time limit on completing the program. Once a candidate has passed Level 1 or Level 2, they do not have to repeat those levels. However, study materials are updated every calendar year.

Therefore, if more than one year has passed since passing Level 1 or Level 2, candidates are cautioned to allow extra study time, to review prior level materials.

Q: Can I register for more than one exam at a time?

No. A candidate may only register for one exam at a time. No exceptions will be made.

Q: Does the CEP Institute provide sample exam questions?

At this time, the CEP Institute does not provide sample study questions with the study materials. However, several outside sources offer study guides and sample questions that many candidates find helpful. The following companies currently provide sample questions and/or practice exams: National Center for Employee Ownership (NCEO), and NASPP (The National Association of Stock Plan Professionals). If you are interested in purchasing a prep course in order to prepare for the exam, you can view NCEO's dedicated CEPI Prep Course on their website. While it is not required, many candidates have found it extremely helpful in preparing for the exams.

Q: What is the relationship between Santa Clara University and the Certified Equity Professional Institute?

The CEP Institute is a program of Santa Clara University's Leavey School of Business and is housed within the Silicon Valley Executive Center (SVEC).

Q: Can I earn Continuing Education for a CFP (Certified Financial Planner) by taking the CEP exams?

The CEP Levels 1 (ECA), 2, and 3 have been approved to offer CFP® Continuing Education. Levels 1 and 2 are each eligible for 10 hours of continuing education and Level 3 is eligible for 7 hours of continuing education. To qualify, candidates must obtain a score of at least a 70% (regardless of what the passing score is) on the exam.

**This handbook is subject to periodic update.
The version posted on the CEP Institute web site
at cepi.scu.edu represents the most current
CEP Institute policies and procedures.**