

TOTVS S.A.
PUBLICLY-HELD COMPANY

Corporate Taxpayer's ID (CNPJ) #53.113.791/0001-22
Corporate Registry ID (NIRE) #35.300.153.171

MINUTES OF THE EXTRAORDINARY GENERAL MEETING
HELD ON NOVEMBER 26, 2007

Place, Time and Date: At the Company's headquarters, located at Avenida Braz Leme, 1631, Bairro Jardim São Bento, CEP 02511-000, in the city and state of São Paulo, at 9:00 am on November 26, 2007.

Call: Call notices published in the Official Gazette of the state of São Paulo, on November 09, 10 and 13, 2007 and in the newspaper "Gazeta Mercantil", on November 09, 12 and 13, 2007.

Attendances: In first call, the Company's shareholders, representing approximately forty-seven point sixty-nine per cent (47.69%) of the Capital Stock and the Company's Officer: Mr. Wilson de Godoy Soares Júnior.

Presiding Board: Mr. Rodrigo de Queirós Cabrera presided and invited Mr. Rodrigo Figueiredo Nascimento to act as Secretary.

Agenda: (i) to approve the stock option granting plan

Resolutions: After discussing the matter in question, those shareholders present unanimously decided:

(i) To approve, without reservations, the Stock Option Granting Plan for the employees and managers of TOTVS S.A. or of other companies under its control, as proposed by Management and detailed in Annex I, which, have been signed and initialed by the Presiding Board, shall be considered as an integral part of these minutes for all legal purposes. Publication of said Annex is waived and it shall be filed at the Company's headquarters where it shall remain at the disposal of the shareholders. A Material Fact shall be published in accordance with the prevailing legislation. Said Plan shall be administered by the Company's Board of Directors.

Clarifications: The Chairman of the Board clarified that these present minutes of the Extraordinary General Meeting shall be drawn up in the summary format, pursuant to article 130, paragraph 1 of Law 6,404/76 and shall be published omitting the shareholders' signatures, pursuant to paragraph 2 of said article 130 of Law 6,404/76.

Approval and Signature of the Minutes: Nothing else to be discussed, the meeting was adjourned to draw up these minutes, which were read and approved, as well as

respective exhibits and signed by all attending shareholders. SHAREHOLDERS: RODRIGO DE QUEIROZ CABRERA, BALENTINE INT EQ SEL LP, represented by Anali Penteadó Buratin; BT PENSION SCHEME, represented by Anali Penteadó Buratin; CAISSE DEPOT ET PLAC DU QUEBEC represented by Anali Penteadó Buratin; CATHOLIC HEALTH INITIATIVES represented by Anali Penteadó Buratin; COMMONWEALTH OPPTS EMP RET S represented by Anali Penteadó Buratin; EATON VAN STR EMERG MARK FUND represented by Anali Penteadó Buratin; EATON VAN TAX MAN EM MKTS FUND represented by Anali Penteadó Buratin; FIDELITY A S VIII LAT AMER FD represented by Anali Penteadó Buratin; FIDELITY FUNDS LATIN AMER FUND represented by Anali Penteadó Buratin; FIDELITY INV TR LAT AMER FUND represented by Anali Penteadó Buratin; FIRE A P E R S C OF BALTIMORE represented by Anali Penteadó Buratin; LAUDUS INT MARKETSMASER FUND represented by Anali Penteadó Buratin; MUN ANNUITY B FUND OF CHICAGO represented by Anali Penteadó Buratin; NORGES BANK represented by Anali Penteadó Buratin; ROYAL MAIL PENSION PLAN represented by Anali Penteadó Buratin; THE ST T RETIR SYSTEM OF OHIO represented by Anali Penteadó Buratin; T R P I F T ROWE PR L AMER FUN represented by Anali Penteadó Buratin; THE WELLCOME TRUST LIMITED represented by Anali Penteadó Buratin; WASHINGTON STATE INV BOARD represented by Anali Penteadó Buratin; WT I T I B OF THE INTL MUL SER represented by Anali Penteadó Buratin; LC – EH PARTICIPAÇÕES E EMPREENDIMENTOS S.A. represented by Vanessa Martins Loreto; ERNESTO MARIO HABERKORN represented by Vanessa Martins Loreto; JOSE ROGERIO LUIZ represented by Vanessa Martins Loreto; LAERCIO JOSE DE LUCENA COSENTINO represented by Vanessa Martins Loreto; BNDES PART SA BNDESPAR represented by Arnaldo Cordeiro P. M. Montenegro; WILSON DE GODOY SOARES JR.

São Paulo, November 26, 2007.

PRESIDING BOARD:

Mr. Rodrigo de Queirós Cabrera Nasser
Chairman of the Board

Mr. Rodrigo Figueiredo Nascimento
Secretary of the Board

ANNEX I
MINUTES OF THE EXTRAORDINARY GENERAL MEETING
HELD ON NOVEMBER 26, 2007

TOTVS S.A.
Corporate Taxpayer's ID (CNPJ/MF) 53.113.791/0001-22

STOCK OPTION GRANTING PLAN

1. PURPOSES OF THE PLAN

This **STOCK OPTION GRANTING PLAN** has as purpose to set forth the rules for certain employees and managers of **TOTVS S.A.** or of other companies under its control to acquire shares issued by the company through stock option granting, thus, these employee and managers may have the sense of ownership and personal involvement in the development and financial success of the Company, encouraging them to make their best efforts for the social businesses, contributing for the implementation of the Company's and its shareholders' interests.

2. DEFINITIONS

For purposes of this Stock Option Granting Plan, the terms below, used during this instrument, will comply with the definitions below:

- (a) Shareholder: an individual or legal entity holder of the Company's share;
- (b) Shares: registered common shares which will be or have already been issued by the Company;
- (c) Eligible Persons: persons able to participate in the Stock Option Granting Plan, as appointed by the Company's Board of Directors;
- (d) Company: TOTVS S.A.;
- (e) Option Agreement: the Private Instrument of Stock Option Granting entered into between the Company and the Eligible Person, by means of which the employee and/or manager becomes a participant of the Plan;
- (f) Granting Date: the date of execution of the Option Agreement, which will formalize the granting of the Options to the Participants;
- (g) Withdrawal: it means any act or fact which, justified or not, ends the legal relation of the owner of the Option with the Company, except in cases of retirement, permanent disability or decease. Withdrawal also comprises the assumptions of dismissal, replacement or not reelection of the Participant as manager, or termination of labor agreement;
- (h) Exercise of the Options: the effective subscription of purchase, by the Participant, of shares related to the options granted to him/her by the Option Agreement;
- (i) Option or Options: the possibility of Participants to subscribe new shares or purchase treasury shares of the Company by a price previously determined, during a certain period of time, in compliance with the conditions set forth in this Plan;
- (j) Mature Option(s): the Option(s) that complied with the grace period and conditions

necessary to the exercise of the subscription right of the Shares (Right Reserve rules), therefore liable to be exercised;

(k) Participant: the Eligible Person to whom the share subscription option is granted and who executed the Option Agreement;

(l) Option Exercise Period: period between the date on which it is possible to subscribe or purchase shares and the limit date for the subscription or purchase;

(m) Plan: this Stock Option Granting Plan, duly approved by the Company's General Meeting;

(n) Option Value: value determined at market for subscription or purchase of shares purpose of the option granted to the Participant;

(o) Right Reservation (Vesting): period established by the Company which proceeds the term for the exercise of the option granted to the Participant.

3. MANAGEMENT OF THE PLAN

The Plan will be managed by the Board of Directors, which will have the private competence to resolve on the issuance of shares purpose of the Plan. It will also be incumbent upon it to take all the necessary and adequate measures for the interpretation, details and application of the rules and general guidelines set forth in this instrument.

Within the competence above, it will be incumbent upon the Board of Directors all and any resolution about the Plan, and the specific and necessary powers to:

(a) select the Eligible Persons to whom Options will be granted, according to eligibility criteria set forth in this instrument;

(b) define, within the authorized capital limit and in compliance with the maximum limit of Shares attributable to the Plan, the number of Options and the form of distribution among the Eligible Persons, the exercise price of the Options, the exercise conditions and possible restrictions for the sale of shares acquired or subscribed;

(c) postpone, generically or as the case may be, the final term for the exercise of the Options in force;

(d) change the terms and conditions of the Options granted in the event of any amendment to the applicable laws;

(e) propose changes in the Plan to be submitted to the approval of the Company's Extraordinary General Meeting;

(f) authorize the Company's Board of Executive Officers to enter into Option Agreements with Participants of the Plan, as well as with Share Subscription Agreements and possible addenda, when necessary;

(g) decide casus omissus, in compliance with the general orientations of the Plan and legal provisions applicable to the type.

4. TYPE OF SHARES

For purposes of this Plan, registered common shares will be issued, in the authorized capital limits of the Company and in accordance with the availabilities provided for in this instrument, which will ensure the same rights provided for the other registered common shares issued by the Company.

5. LIMIT OF THE SHARES INCLUDED IN THE PLAN

The total number of shares targeted at the Plan may not exceed three point three percent (3.3%) of the Company's capital stock within the term of 3 years (counted from the date of approval of this Plan by the Company's General Meeting).

For purposes of this limit, all Options granted based on this Plan will be considered, as well as the Shares acquired or subscribed by the respective Participants as a result of the Plan, whether they are held by them or not.

With the purpose of satisfying the exercise of the Options granted pursuant to the Plan, the Company may, at the discretion of the Board of Directors, issue new shares within the authorized capital limit, or sell shares held in treasury.

6. ELEGIBILITY

The managers and employees of the Company and of the companies under its direct or indirect control ("Subsidiaries") who hold the following functions are eligible to participate in the Plan:

- (a) Statutory Employees and Executives (CEO, Vice President and Officers); and
- (b) "Key Employees": employees of the Company and of its Subsidiaries who, at the discretion of the Board of Directors, have stand out for contributing significantly to the Company's performance, or whose contracting or retention is vital for the good execution of the Company's plans and strategies.

To become a Participant of the Plan, the Eligible Person shall be formally appointed by the Board of Directors, which will also determine the number, term and prices of the shares that may be acquired with the exercise of the Options.

The Board of Directors may give different treatment to Eligible Persons and/or Participants who have a similar situation, not being obligated by any rule of isonomy or analogy to extend to any other Participants possible condition, benefit or resolution thought to be applicable only to certain Participant(s).

No provision of this Plan will grant any rights to its beneficiaries related to the guarantee of permanence as employee of the Company or of its Subsidiaries, neither will interfere in the right of the Company or of its Subsidiaries to, in compliance with the legal conditions and those resulting from the labor agreement, terminate at any time the relationship with the Participant.

No provision of the Plan will also grant to any holder of Options, rights concerning his/her permanence in the position of Officer until the end of the respective term of office, or will interfere with the right of the Company or of its Subsidiaries to dismiss him/her at any time, neither will ensure the right to reelection for the position. Each Eligible Person who becomes a Participant of the Plan shall comply with it, upon a written declaration to its terms, with no

reservation, being obligated to the compliance with all provisions set forth herein.

7. OPTION GRANTING CRITERIA

The Board of Directors will establish the granting criteria of Options to each category of Eligible Persons, freely defining, based on appointment by the Compensation Committee and Human Resources Management, in which the Eligible Persons are Participants, as well as the number of shares which may be acquired by each one with the exercise of the Options, taking into account the significance and essentiality of the position exercised, the Participant's potentiality, the involvement in strategic projects and the value added offered to the Company.

The Board of Directors is not obliged to attribute the condition of Participant to all categories, or even to those integrating the same category of Eligible Persons, and Participants in the same category are permitted to attribute different numbers of Options.

The Options granted pursuant to the Plan, as well as their exercise by the Participants, are not related nor associated to their fixed compensation or occasional profit sharing.

Without prejudice to any contrary provision provided for in the Plan or in the Option Agreement, the Options granted pursuant to the Plan shall be automatically extinguished, ceasing all their legal effects, in the following cases:

- (a) upon their full exercise;
- (b) after lapse of the maximum term of the Option exercise;
- (c) upon termination of the Option Agreement;
- (d) should the Company be dissolved, liquidated or declared bankrupt
or
- (e) in the events set forth in item 14 of this Plan.

8. RIGHT RESERVATIONI RULE (VESTING)

The exercise of the Options granted pursuant to this Plan will be subject to the following Right Reservation rules:

(a) one hundred per cent (100%) of all Options may be exercised at the end of thirty-six (36) months as of the Granting Date;

(b) Participants may, at their own discretion, exercise (fully or partly) or not their options as they mature, pursuant to the aforementioned terms, and they may also postpone the exercise to the moment deemed more appropriate, since the maximum term set forth in item 9 as follows is respected;

(c) No Share will be delivered to the holder due to the exercise of the Option unless all legal requirements and requirements arising from this Plan have been fully complied with.

9. MAXIMUM TERM TO EXERCISE THE OPTIONS

Observing the quantities and terms set forth in item 8, the Options granted shall be exercised by the Participants until the maximum term of sixty (60) months as of the Granting Date, when they will be extinguished for all purposes.

10. DETERMINATION OF OPTION VALUE

The value of the Options will be determined by means of the “Black & Scholes” methodology.

11. RESTRICTIONS TO OPTION TRANSFER

The Options granted to Participants, after lapse or not of the right reservation terms, are personal and cannot be transferred, except in events arising from succession due to the Participant’s decease, as provided for in this Plan.

12. OPTION EXERCISE

Observing the criteria set forth in this present instrument, Participants wishing to exercise their Options shall notify the Company in writing about their intention, pursuant to the communication model to be disclosed by the Board of Directors.

Once the Company is notified, the effective exercise of the Options shall always occur at annual general meetings of the Board of Directors, in the event of subscription of new shares, or on another

date, at the Board of Directors' discretion, in the event of sale of shares held in treasury.

The Board of Directors may determine the suspension of the right to exercise Options whenever there is evidence of situations that, pursuant to the legislation in force, restrict or prevent the trading of shares by the Company's employees and managers.

The option exercise will be formalized by means of the execution of the Share Subscription Agreement, as the case may be, between the Participant and the Company, or any other document which may be determined by the Board of Directors, which will contain the number of shares acquired or subscribed, the exercise price and the payment conditions approved by the Board in accordance with the Option Agreements.

No Participant will have any rights or benefits of Company's shareholders until Options are duly exercised and Shares purpose of the Options are subscribed or acquired pursuant to the aforementioned terms.

13. SHARE ACQUISITION OR SUBSCRIPTION PRICE AND MEANS OF PAYMENT

The Share acquisition or subscription price will be determined based on the unit value of the Company's Shares, corresponding to the arithmetic average of the value of Shares verified on the trading floors of the five (5) days prior to the Granting Date.

The exercise price will be paid by the Participant in accordance with the means and terms determined by the Board of Directors.

While the exercise price is not fully paid, the shares acquired with the exercise of the Option shall not be sold to third parties, except when previously authorized by the Board of Directors, event when the sale product will be primarily allocated to settlement of the Participant's debt with the Company.

14. WITHDRAWAL

In the event of the Participant's Withdrawal by the Company's initiative, due to any reason, except when with cause or due to the Participant's voluntary withdrawal, the participant may exercise the Mature Options which have not been exercised up to the Withdrawal date, respecting the Right

Reservation rules, within 30 days as of the withdrawal.

In the event of the Participant's Withdrawal by the Company's initiative with cause, all Options granted to the Participant, qualified or not to be exercised in accordance with the Right Reservation rules, will be automatically extinguished and legally canceled, regardless of previous notice or indemnification at any pretense.

Should the Participant's voluntary withdrawal occur, the Participant will no longer be entitled to exercise the Options granted which have not been exercised up to the Withdrawal date.

15. PARTICIPANT'S DECEASE, PERMANENT DISABILITY OR RETIREMENT

In the event the Participant deceases, all Options not exercised, however which may be exercised in accordance with the Right Reservation rules, may be exercised by heirs or successors of the holder of the Options duly qualified in estate settlement procedure, or by any other means set forth by law and which clearly identifies heirs and/or successors. The exercise shall occur within 12 months as of the Participant's decease, and the Board of Directors may, at its own discretion, extend this term up to the conclusion of the estate settlement procedure, however always respecting the maximum term to exercise the Options.

In the event of the Participant's permanent disability, duly acknowledged pursuant to the applicable social security legislation, the Participant will continue to take part in the program normally, observing the maximum term to exercise the options.

In the event a Participant retires, all Options not exercised yet, but which may be exercised in accordance with the Right Reservation rules, may be exercised up to 12 months as of the date when retirement is notified.

16. PREEMPTIVE RIGHT

There will be no preemptive right in the granting and exercise of Options, pursuant to Article 171, Paragraph 3 of Law 6,404/76.

17. AMENDMENT, SUSPENSION AND EXTINGUISHMENT OF THE PLAN

It is incumbent upon the General Meeting to change, suspend or extinguish this Plan, especially in view of the occurrence of factors which significantly change the economic outlook, which may affect the Company's financial situation.

18. EFFECTIVENESS TERM OF THE PLAN

This Plan will be effective for 60 months immediately after its approval by the Company's General Meeting. It will remain effective up to the expiration of the period to exercise the outstanding options, and it may be extinguished, suspended or changed at any time by the Company's General Meeting.

19. GENERAL PROVISIONS

The option granting pursuant to the Plan shall not prevent the Company from being involved in corporate reorganization operations, such as transformation, incorporation, merger and spin-off. The Company's Board of Directors and the companies involved in these operations may, at their discretion, determine, without prejudice to other measures resolving by equity: (a) the replacement of shares, purpose of this stock option with shares of the successor of the Company; (b) the anticipation of the acquisition of right to exercise stock option, so that to ensure the inclusion of the corresponding shares in the operation under discussion; and/or (c) the payment in cash of the amount that the Participant would be entitled to, pursuant to the Plan.

Should the number, type and class of the shares existing on the approval date of the Plan be altered, as a result of bonuses, split, reverse split or conversion of shares of a type or class into another one or conversion into shares of other securities issued by the Company, it shall be incumbent upon the Company's Board of Directors to provide the corresponding adjustment to the number, type and class of shares, purpose of the granted options and their respective strike price, in order to avoid distortions in the application of the Plan.

The Board of Directors, in accordance with the Company's and its shareholders' interest, may revise the conditions set forth in the Plan, since the respective basic principles are not changed. Any substantial legal alteration regarding the regulation of corporations, publicly-held companies and/or tax effects of a stock option plan may result in a full revision of the Plan. The cases not covered by this instrument shall be regulated by the Board of Directors, the General Meeting being consulted when deemed convenient.

Any option granted according to the Plan is subject to all terms and conditions set forth herein, which shall prevail in case of inconsistency in relation to provisions of any agreement or document mentioned herein.