

TOTVS S.A.
CNPJ/MF No. 53.113.791/0001-22
NIRE 35.300.153.171

MINUTES OF THE BOARD OF DIRECTORS' MEETING HELD ON
MARCH 15, 2016

- 1. - DATE, TIME AND VENUE:** Held on March 15, 2016 at 9:00 a.m., outside the headquarters of the Company, at Rua Ministro Jesuino Cardoso, No. 454, cj 903 and 904, in the City of São Paulo, State of São Paulo.

- 2. - ATTENDANCE:** The following members of the Board of Directors attended the meeting namely: Pedro Luiz Barreiros Passos; Laércio José de Lucena Cosentino; Germán Pasquale Quiroga Vilardo; Maria Helena dos Santos Fernandes de Santana, Pedro Moreira Salles; Danilo Ferreira da Silva; e Wolney Edirley Gonçalves Betiol.

- 3. - PRESIDING BOARD:** Chairman: Mr. Pedro Luiz Barreiros Passos; and Secretary: Mr. Ricardo Correa Helfer.

- 4. - AGENDA:** (a) to examine, discuss and analyze the Management Report and the Financial Statements along with the Independent Auditors' opinion and the capital budget proposal for the year 2016 and allocation of the net income for the fiscal year ending on December 31, 2015, to be submitted to the approval of the Company's shareholders at the Shareholders' Meeting; (b) to disclose and publish the Management Report and the Financial Statements along with the Independent Auditors' opinion, as well as the Audit Committee Opinion; and (c) to approve the Notice of Call for the Ordinary and Extraordinary General Shareholders' Meeting.

- 5. - RESOLUTIONS:** After discussing the matters on the agenda, the following resolutions were made by the shareholders who attended the meeting, without restrictions or reservations:

(a) approval of the following capital budget proposal for the year 2016 and allocation of the net income for the fiscal year ending on December 31, 2015, to be submitted to the approval of the Company's shareholders at the Shareholders' Meeting, considering that the Management Report and the Financial Statements were correct, along with the opinion of PriceWaterhouseCoopers, as well as the Audit Committee Opinion, concerning the fiscal year ending on December 31, 2015, that such documents accurately record the facts and events concerning the Company's activities in 2016, which will be filed at the Company's headquarters, and submitted by the Chairman to the analysis and discussion by the directors in attendance, highlighting the absence of the opinion provided for in article 163, III, of Law No. 6404/76, as amended ("Corporate Law"), since no Fiscal Council was established.

"Proposal of the Board of Directors:

Gentlemen,

The Board of Directors of TOTVS S.A. hereby submits to your analysis, at the Annual General Shareholders' Meeting, the following capital budget proposals for the year of 2016 and the allocation of the net income concerning the fiscal year ended on December 31st, 2015, with due regard for the corporate legislation in force and the provisions of its articles of incorporation:

The capital budget amount for the current year is R\$437,916,483.89, from the following sources: (a) R\$448,465,513.49 from the Retained Earnings Reserve; and (b) R\$10,549,029.60 from the cash to be consumed in the operating and financial activities.

These resources will be invested in projects for expansion and replacement of assets and information technology.

The proposal for allocation of the net income is the following:

NET INCOME FOR THE FISCAL YEAR *R\$195,529.306.75*

Allocations:

Creation of the Legal Reserve *R\$9,776,465.34*

<i>Retained Earnings Reserve</i>	R\$58,658,792.13
<i>Interest Paid on Net Equity</i>	R\$ 60,514,871.06
<i>Dividends Proposed</i>	R\$ 66,579,178.22

Out of the total net income for the fiscal year, corresponding to R\$195,529.306.75, the following amounts were allocated: (a) R\$9,776,465.34 to the creation of a legal reserve equivalent to 5% (five percent) of the net profit; (b) R\$58,658,792.13 to the retained earnings reserve; (c) R\$ 66,579,178.22 were allocated to the payment of interest on net equity to the shareholders, made on August 19, 2015 and January 13, 2016, as resolved at meetings of the Board of Directors held on July 27, 2015, respectively, and December 18, 2015; and (d) R\$70.115.852,63 (seventy million, one hundred and fifteen thousand, eight hundred and fifty-two reais and sixty-three cents) were allocated to the distribution of dividends, i.e., R\$0.407365448 per share, as resolved at the Board of Directors' Meeting held on this date. Said dividends shall be paid, on May 11, 2016, ad referendum of the Extraordinary General Shareholders' Meeting, with their calculation basis the Company's shareholding position by the end of April 26, 2016 (included), and, as of April 27, 2016, the Company's shares will be negotiated "ex"-dividends."

(b) The Board of Directors approved the disclosure of said Management Report and Financial Statements along with the Independent Auditors' Opinion for the fiscal year ended on December 31, 2015 to the Securities and Exchange Commission, to the São Paulo Stock Exchange and to the market, by the expedition of these documents via the EmpresasNet system of the Securities and Exchange Commission and their legal publication on the Diário Oficial do Estado de São Paulo and on the Valor Econômico newspaper, and their posting on the Company's Investors Relation website (www.totvs.com.br/ri), as well as their submittal to the analysis of the Company's shareholders at the Shareholders' Meeting.

(c) Approve the call for the Ordinary and Extraordinary General Shareholders' Meeting, which will be held on April 26, 2016 at 10:00 a.m., in the terms of the Notice of Call attached herein as Exhibit I.

6. - CLOSING, DRAW-UP AND APPROVAL OF THE MINUTES: There being no further business to discuss, the meeting was closed and these minutes were drawn up, read, approved and signed by all attending Board members.

This is a free English translation of the original minutes drawn up in the Company's records.

São Paulo, March 15, 2016.

Presiding Board:

Pedro Luiz Barreiros Passos
Chairman of the Board

Ricardo Correa Helfer
Secretary

EXHIBIT I

TOTVS S.A.
Publicly-held Company
CNPJ nº 53.113.791/0001-22

Notice of Call

Ordinary and Extraordinary General Shareholders Meeting

The shareholders are invited to attend the extraordinary general meeting of TOTVS S.A. (“**Company**”) to be held, on first call, on April 26, 2016, at 10 a.m., at the Company’s headquarters, located at Av. Braz Leme, nº 1.631, 2nd floor, in the city of São Paulo, State of São Paulo, to discuss and vote the following agenda:

- (a) In the Ordinary General Shareholders Meeting: ((i) to take the management accounts, to examine, discuss and approve the Company’s financial statements concerning the fiscal year ended on December 31, 2015; (ii) to discuss the proposal for allocation of the net income for the fiscal year and dividends distribution; (iii) to state the annual global compensation for the members of Company’s Board of Directors and Executive Board; (iv) to elect the Board of Directors members; and
- (b) In the Extraordinary General Shareholders Meeting: to discuss the ratification, in the terms of paragraph 1, article 256, of Law No. 6404/76, of the acquisition, by the Company, of Neolog Consultoria e Sistemas S.A.’s control.

Pursuant to article 10, paragraph 5 of the Company’s Bylaws, the Shareholders must submit, at least 48 hours prior to the General Meeting, in addition to the relevant identity document and/or corporate documents that evidences legal representation, as applicable: (i) evidence issued by the financial institution depository of the Company’s shares, no later than 5 days before the date of the General Meeting; (ii) the proxy with the authenticated signatures of the grantor; and/or (iii) in relation to the shareholders participating on the fungible custody and settlement of registered shares, the records issued by the competent agency.

The Shareholder will also be allowed to vote through the platform *Assembleias Online*, at the address <http://www.assembleiasonline.com.br>. For such purpose, the Shareholders will need to perform their enrollment with such platform. The Company's management will make the public proxy request, pursuant to CVM Ruling 481/09, for such purpose.

Copies of the documents to be discussed at the General Meeting hereby convened, including those requested by CVM Ruling No. 481/09, are available to the Shareholders at the Company's head offices, at its website of Relations with Investors (<http://ri.totvs.com.br>), as well as on the websites of CVM and BM&FBOVESPA – Bolsa de Valores, Mercadorias e Futuros.

São Paulo, March 24, 2016.

PEDRO LUIZ BARREIROS PASSOS
Chairman of the Board of Directors