



TOTVS S.A.
Publicly-Held Company

Corporate Taxpayer's Identification (CNPJ) No. 53.113.791/0001-22
Company Registry (NIRE) No. 35.300.153.171

NOTICE TO SHAREHOLDERS

Payment of Interest on Equity

TOTVS S.A. (BM&FBOVESPA: TOTS3) ("Company" or "TOTVS"), hereby informs its shareholders and the market in general that the Board of Directors, in a Meeting held on this date, pursuant to the resolutions below, approved the payment of interest on equity in the total amount of forty-three million, six hundred and five thousand, four hundred and ninety reais and thirty-seven centavos (R\$43,605,490.37), referring to the first semester of 2016, corresponding to R\$0.26703514 per share, which shall be included in the minimum mandatory dividends in accordance with article 34 of Company's By-laws.

The payment of interest on equity above will be subject to the following conditions:

1.1. All shareholders registered as such on August 04, 2016 shall be entitled to receive the payment of the interest on equity; 1.2. TOTVS' shares will be traded "ex-interest on equity" as of August 05, 2016; 1.3. The interest on equity will be paid on August 24, 2016, with no monetary readjustment from August 04, 2016 to August 24, 2016, at the bank account and at the banking domicile of the Shareholder informed to Banco Itaú S.A.; 1.4. Shareholders whose registration does not contain their individual or corporate taxpayer's number (CPF/CNPJ) or their bank/branch and/or current account number, will have their payment credited as soon as they update their registration details at any branch of Banco Itaú S.A.; 1.5. Payments will be subject to Income Tax withholding pursuant to the legislation in force; and 1.6. For exempt Corporate Shareholders not to be subject to the withholding of income tax stated above, such Corporate Shareholders shall comply with the legislation in force by sending the proof of immune or exempt condition, which should be delivered until August 08, 2016, at the Company's headquarters at Av. Braz Leme, 1631, 2nd floor, Jardim São Bento - CEP: 02511-000 – São Paulo - SP - Phone: (11) 2099-7773 - Fax: (11) 2099-7335, to the Investor Relations Department of TOTVS.

São Paulo, August 01, 2016

Gilsomar Maia Sebastião
Administrative and Financial Vice-President
and Investor Relations Officer

Investor Relations

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