

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

**SUMMARY OF THE MINUTES OF THE BOARD OF DIRECTORS MEETING**  
**HELD ON AUGUST 1, 2016**

**1. DATE, TIME AND PLACE OF THE MEETING:** Held on August 1, 2016, at 9:00 a.m., outside the of TOTVS S.A. (“**Company**”), at Rua Ministro Jesuino Cardoso, No. 454. Suites 93 and 94, in the City and State of São Paulo.

**2. ATTENDANCE:** The following members of the Board of Directors: Pedro Luiz Barreiros Passos, Laércio José de Lucena Cosentino, Germán Pasquale Quiroga Vilaro, Maria Helena dos Santos Fernandes de Santana, Pedro Moreira Salles, Mauro Rodrigues da Cunha, Danilo Ferreira da Silva, Sérgio Foldes Guimarães, and Wolney Edirley Gonçalves Betiol.

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

**4. RESOLUTIONS:** After discussing the matters, the following resolutions were taken by unanimous vote of the Directors, without restrictions or exemptions:

**4.1** Approve the Management Reports and the Financial Statements of the Company regarding the second quarter of 2016.

**4.2** Authorize, pursuant to article 19(xviii) of the Company’s Bylaws, the payment of interest on capital to the shareholders of the Company, in the amount of forty-three million, six hundred and five thousand, four hundred and ninety reais and thirty-seven centavos (R\$43,605,490.37), related 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. All shareholders registered as such on August 04, 2016 shall be entitled to receive the payment of the interest on capital. The Company’s shares will be traded “ex-interest on equity” as of August 05. The interest on equity will be paid on August 24, 2016, with no monetary readjustment from August 04, 2016 to August 24, 2016, 2016.

**5. ADDITIONAL MATTERS DISCUSSED**

**5.1** The President delivered a inicial message updating the board members of the main topic involving the Company including actions in course aiming at the generation of sales.

**5.2** The Administrative and Financial Vice-President and Investors Relations Officer presented numbers related to the result of the second quarter, and the exercise of cash flow estimate for the company.

**5.3** The Business Vice-President for Small Companies delivered a presentation on the operation of Bematech, its different offers and growth opportunities in its various segments, as well as synergies with the Company.

**5.4** The coordinator of the Auditing Committee updated the board members of the activities carried-out by the committee, as well as presented a report on the review carried-out by an external consultant on the internal auditing procedures, internal controls and risks.

**6. EXECUTIVE SESSION:** The directors held an Executive Session without the presence of the management members.

**7. CLOSING, DRAW-UP AND APPROVAL OF THE MINUTES:** There being no further to be discussed, the meeting was ended at 2pm and the minutes drawn-up in the Company records. This is a summary of said minutes.

São Paulo, August 1, 2016.

Board:

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Pedro Luiz Barreiros Passos  
**Chairman**

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Ricardo Correa Helfer  
**Secretary**