

**TOTVS S.A.**

**Corporate Taxpayer ID (CNPJ/MF): 53.113.791/0001-22**

**Company Registry (NIRE): 35.300.153.171**

**SUMMARY OF THE MINUTES OF THE BOARD OF DIRECTORS MEETING**

**HELD ON MARCH 16, 2017**

1. **DATE, TIME AND VENUE:** Held on March 16, 2017, from 9 a.m. to 2 p.m. at the new head office of TOTVS S.A. (“Company”), located at Av. Brás Leme, nº 1.000, in the city and state of São Paulo.
2. **PRESIDING BOARD:** Chairman: Mr. Pedro Luiz Barreiros Passos; Secretary: André Rizk.
3. **CALL NOTICE AND ATTENDANCE:** Call notice sent in accordance with paragraph 1, article 18 of the Bylaws of the Company. All the directors attended the meeting, namely: Messrs. Pedro Luiz Barreiros Passos, Germán Pasquale Quiroga Vilardo, Laércio José de Lucena Cosentino, 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. Also present were Messrs. Gilsomar Maia Sebastião, Administrative and Financial Vice President / Investor Relations Officer, Ricardo Correa Helfer, Controller, Flávio Balestrin de Paiva, Marketing, Alliances, Business Models, Channels and Human Resources Vice President, Rita De Cassia Vieira Pellegrino, Human Relations Officer, Manuela Loeser, Audit and Operating Risk Manager, and Alex Buzatto Lellis Borges, representative from Deloitte Touche Tohmatsu.
4. **AGENDA:** (i) Report from the Chief Executive Officer and the Administrative and Financial Vice President / Investor Relations Officer; (ii) Report on the activities of the Audit Committee, including (a) Approval of the Management Proposal and Calling of the Annual and Extraordinary Shareholders Meeting; and (b) Approval on the proposed Policy on Related Party Transactions of the Company; (iii) Report on the activities of the Personnel and Compensation Committee, including (a) Recording the resignation of statutory executive officer Denis Del Bianco; and (b) Approval of the election of statutory executive officer Alexandre Appendino; (iv) Report on the activities of the Strategy and Technology Committee, including the proposed new composition of the Committee; and (v) Report on the activities of the Governance and Designation Committee, including (a) the results of the self-appraisal of the Board in 2016; and (b) Status of the nomination of three (3) new Board members to be elected at the Annual and Extraordinary Shareholders Meeting; (vi) Other matters; and (vii) Executive Session.

## 5. PRESENTATIONS AND RESOLUTIONS:

5.1. The Board of Executive Officers presented, and commented on, the Company's results for February.

5.2. The Chairman of the Audit Committee submitted a report on the most recent activities of the committee.

The Board of Directors debated and unanimously approved the Management Proposal and the Call Notice for the Annual and Extraordinary Shareholders Meeting, as published to the market, containing: (i) the management accounts, examining, discussing and voting on the financial statements of the Company for the fiscal year ended December 31, 2016; (ii) the capital budget for the purposes of article 196 of Federal Law 6,404/76; (iii) the allocation of net income from the year and the distribution of dividends; (iv) the appointment of three (3) candidates to the Board of Directors to complete the unified term of office of two (2) years: Mr. Henrique Andrade Trinckquel Filho, Ms. Maria Letícia de Freitas Costa and Mr. Gilberto Mifano; (v) the overall annual compensation of the Board of Directors and the Board of Executive Officers for fiscal year 2017; (vi) proposal to increase the capital by capitalizing the profit retention reserve and consequently amending the head paragraph of article 5 of the Bylaws of the Company; and (vii) if item (vi) above is approved, to propose increasing the authorized capital and consequently amending the head paragraph of article 6 of the Bylaws of the Company.

The Board unanimously approved, pursuant to article 19, item iii, of the Bylaws of the Company and articles 124 and 132 of Federal Law 6,404/76, calling the Annual and Extraordinary Shareholders Meeting to be held on April 20.

Subsequently, the Board unanimously approved, pursuant to article 19 of the Bylaws of the Company, the Policy on Related Party Transactions and authorized its disclosure to the Securities and Exchange Commission of Brazil ("CVM") and on the Company's Investor Relations website ([www.totvs.com.br/ri](http://www.totvs.com.br/ri)).

5.3. The Board of Executive Officers gave a presentation on the activities of the Personnel and Compensation Committee and the Board unanimously approved the election of Mr. **Alexandre Haddad Apendino**, Brazilian, single, business manager, bearer of identity document (RG) no. 30322613, issued by SSP/SP and inscribed in the individual taxpayers register of the Ministry of Finance (CPF/MF) under no. 292.459.418-92, for the position of Executive Director of Attendance and Relationship, to hold office until the Annual Shareholders Meeting of the Company that will be held in 2017.

The Board placed on record the resignation request submitted by Mr. Denis Del Bianco, the Services Vice President, whose functions will be distributed among other executive officers.

5.4. The Chairman of the Strategy and Technology Committee presented a report on the most recent activities of the committee and the Board approved the proposed new composition of the Strategy and Technology Committee, with seven (7) members, namely: Ms. Letícia Costa and Messrs. Laércio Cosentino, Germán Pasquale Quiroga Vilardo, Wolney Edirley Gonçalves Betiol, Flávio Balestrin and Eros Jantsch, and one (1) external member who will be named later.

5.5. The Chairman of the Governance and Designation Committee presented a report on the most recent activities of the committee, including the recommendation for three (3) new members of the Board of Directors of the Company for the Annual and Extraordinary Shareholders Meeting on April 20. The results of the self-appraisal of the Board and the respective ongoing action plans were also presented.

5.6. The Board decided to adopt a policy for electing executive officers, effective from this date, which consists of the following:

- (i) A person who has already completed 62 (sixty-two) years on the election date shall not be elected to the position of Chief Executive Officer; and
- (ii) A person who has already completed 60 (sixty) years on the election date shall not be elected to other positions on the Board of Executive Officers.

5.7. Finally, the directors met in an executive session without the presence of the executive officers.

6. **APPROVAL AND SIGNATURES OF THE MINUTES:** There being no other matter to discuss, the Chairman declared the meeting closed and these minutes were drawn up. This document is a summary of said minutes.

São Paulo, March 16, 2017

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André Rizk  
Secretary