



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 thirty-two million, nine hundred and twelve thousand, two hundred and forty-six reais and sixty-four centavos (R\$32,912,246.64)**, referring to the first semester of 2017, corresponding to R\$0.201416209 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 will be subject to the following conditions:

1. All shareholders registered as such on August 03, 2017 shall be entitled to receive the payment of the interest on equity; **2.** TOTVS' shares will be traded "ex-interest on equity" as of August 04, 2017; **3.** The interest on equity will be paid on October 06, 2017, with no monetary readjustment from this date to October 06, 2017, at the bank account and at the banking domicile of the Shareholder informed to Banco Itaú S.A.; **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.; **5.** Payments will be subject to Income Tax withholding pursuant to the legislation in force; and **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 04, 2017, at the Company's headquarters at Rua Desembargador Euclides Silveira, nº 232, Casa Verde - CEP: 02511-010 – São Paulo - SP - Phone: (11) 2099-7773 - Fax: (11) 2099-7335, to the Investor Relations Department of TOTVS.

São Paulo, July 31, 2017

Gilsomar Maia Sebastião
Investor Relations Officer

Investor Relations

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