

**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 JULY 31, 2017**

- 1. DATE, TIME AND VENUE:** Held on July 31, 2017, from 9 a.m. to 2 p.m., 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 was duly sent in accordance with paragraph 1, article 18 of the Bylaws of TOTVS S.A. (“TOTVS” or “Company”). The majority of the directors (“Board”) attended the meeting, namely: Messrs. Pedro Luiz Barreiros Passos, Laércio José de Lucena Cosentino, Pedro Moreira Salles, Gilberto Mifano, Mauro Rodrigues da Cunha, Henrique Andrade Trinckquel Filho, Wolney Edirley Gonçalves Betiol and Mrs. Maria Letícia de Freitas Costa, and Mr. Germán Pasquale Quiroga Vilardo justified his absence. Also present were Gilsomar Maia Sebastião, Chief Financial and Investor Relations Officer; Ricardo Correa Helfer, Controller; Sidney Falcão, Corporate Services Officer; Vicente Goetten, International Markets Officer; and Michele de Oliveira Endler Virgilio, Corporate Governance Coordinator.
- 4. AGENDA:** (i) Report from the Chief Executive Officer and the Chief Financial and Investor Relations Officer; (ii) Report on the activities of the Audit Committee, including (a) approval of the Company’s financial results of the second quarter of 2017 and Press Release; and (b) approval of the declaration and payment of interest on equity to shareholders of the Company; (iii) Report on the activities of the Governance and Designation Committee; (iv) Report on the activities of the Strategy and Technology Committee; (v) Key Initiatives and Service Management Model; (vi) Presentation about *Carol*; and (vii) Executive Session.

**5. PRESENTATIONS AND RESOLUTIONS:**

- 5.1.** The Board of Executive Officers presented and commented upon the Company’s results of the second quarter of 2017, as well as the periodical monitoring indicators of the Board.
- 5.2.** After the report on the most recent activities of the Audit Committee was presented, the Board discussed and **approved**, unanimously and without restrictions, in compliance with the favorable recommendation from the Committee:

- (a) the quarterly reports and information for the period ended June 30, 2017, authorizing the Board of Executive Officers to take all the necessary measures for disclosure to the Securities and Exchange Commission of Brazil (“CVM”) and B3 S.A. – Brasil, Bolsa, Balcão (“B3”); and
- (b) the declaration and payment of interest on equity to the shareholders of the Company, in the total amount of thirty-two million, nine hundred twelve thousand, two hundred forty-six reais and sixty-four centavos (R\$32,912,246.64), relating to the first half of 2017, corresponding to R\$0.201416209 per common share and which will be calculated towards the minimum mandatory dividend, pursuant to article 34 of the Bylaws of the Company. Common shareholders of the Company on record as of August 3, 2017 will be entitled to interest on equity. Starting from August 4, 2017, the shares of the Company will be traded “ex-interest on equity”; interest on equity will be paid on October 6, 2017, without any inflation adjustment or remuneration between this date and October 6, 2017.
- 5.3. The report on the latest activities of the Governance and Designation Committee was presented and was followed by debates and suggestions from the directors.
- 5.4. The report on the latest activities of the Strategy and Technology Committee was presented and was followed by debates and suggestions from the directors.
- 5.5. The Board of Executive Officers made a presentation on key ongoing initiatives and on the Company's service management model.
- 5.6. The Board of Executive Officers presented to the Board an update on *Carol*, a quality data and artificial intelligence platform recently launched by the Company.
- 5.7. Finally, the directors gathered together in an executive session without the presence of executive officers.
6. **APPROVAL AND SIGNATURE 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 non-confidential items of said minutes.

São Paulo, July 31, 2017

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Pedro Luiz Barreiros Passos  
Chairman

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André Rizk  
Secretary