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**TOTVS S.A.**  
Publicly-held Company  
CNPJ nº 53.113.791/0001-2

**BEMATECH S.A.**  
Publicly-held Company  
CNPJ nº 82.373.077/0001-71

## MATERIAL FACT

TOTVS S.A. (BM&FBOVESPA: TOTS3) (“**TOTVS**”) and BEMATECH S.A. (BM&FBOVESPA: BEMA3) (“**Bematech**”) hereby announces, jointly, that on the date hereof, the management teams of TOTVS, MAKIRA II EMPREENDIMENTOS E PARTICIPAÇÕES S.A. (“**Makira II**”) and Bematech (Makira II, together with TOTVS and Bematech, the “**Companies**”), entered into a Protocol and Justification (“**Protocol and Justification**”) which purpose is the corporate restructuring described below (“**Reorganization**”) and will result (a) in the ownership, by TOTVS, of all shares issued by Bematech; and (b) assuming that the total capital of Bematech is represented, on the consummation date of the Reorganization, by 49.990.870 common shares, excluding shares held in treasury, in the receipt, by Bematech’s shareholders, for each share issued by Bematech owned by them at the date of the consummation of the Reorganization, (i) of 0,043421048 common share issued by TOTVS and (ii) of R\$9,35, excluding the dividends declared by Bematech on this date. The definition of the amount to be ascribed per common share of Bematech, which will result of the sum of the amounts indicated in items (i) and (ii), considered an amount of R\$11.00 per share of Bematech, after the distribution of the dividends mentioned above, and an amount of R\$38.00 per share of TOTVS.

### 1. COMPANIES INVOLVED IN THE REORGANIZATION AND ITS ACTIVITIES

#### 1.1. TOTVS.

(a) *Identification.* TOTVS S.A., publicly-held company, headquartered in the City of São Paulo, State of São Paulo, at Av. Braz Leme, 1.631, 2<sup>nd</sup> floor, Zip Code 02511-000, enrolled with the CNPJ/MF under No. 53.113.791/0001-2.

(b) *Activities.* TOTVS is dedicated, and will continue after the Reorganization, to the development and implementation of management and productivity platforms specialized in various operating segments of the company, maintaining its registration as a publicly-held company.

#### 1.2. Bematech.

(a) *Identification.* BEMATECH S.A., publicly-held company, headquartered in the City of São José dos Pinhais, State of Paraná, at Av. Rui Barbosa, 2.529, units 06, 07 e 08, Zip Code 83055-320, enrolled with the CNPJ/MF under No. 82.373.077/0001-71.

(b) *Activities.* A Bematech is dedicated, and will continue after the Reorganization, as a wholly owned subsidiary of TOTVS, to the development of specialized solutions of hardware and software, in the segments of retail, hospitality and food, as a wholly-owned subsidiary of TOTVS.

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1.3. Makira II.

(a) *Identification.* MAKIRA II EMPREENDIMENTOS E PARTICIPAÇÕES S.A., corporation, headquartered in the City of São Paulo, State of São Paulo, at Av. Braz Leme, 1.631, 2<sup>nd</sup> floor, Zip Code 02511-000, enrolled with the CNPJ/MF under No. 20.738.513/0001-01.

(b) *Activities.* Makira II is a non-operational corporation, which objective is to invest in other companies or enterprises, and whose shares, on the date hereof, are all owned by TOTVS, and which will be dissolved as a result of Reorganization.

## 2. DESCRIPTION AND PURPOSES OF THE REORGANIZATION

2.1. Description. The corporate Reorganization will comprise the following steps, all interdependent, which consummation shall be subject to the applicable corporate approvals and to the provided in item 5 below:

- (a) merger of the totality of Bematech's shares by Makira II, a company, whose shares are, in its totality, owned by TOTVS, by its economic value, resulting in the issuance, by Makira II, in favor of Bematech's shareholders that own the merged shares ("**Bematech's Shareholders**"), of common shares and redeemable preferred shares of Makira II ("**Merger of Bematech's Shares**"). Once the Reorganization is consummated, Bematech shall, therefore, preserve its corporate identity and equity, without any legal succession;
- (b) on the same date, as a subsequent act to the Merger of Bematech's Shares and interdependent on the Merger of Bematech's Shares, redemption of the totality of the preferred shares issued by Makira II, for the total amount of R\$467,414,634.50, excluding the dividends declared on this date by Bematech, with the consequent payment, by TOTVS (in the capacity of successor of Makira II, due to the merger mentioned in item (c) below), to Bematech's shareholders, of R\$0.11 per preferred share redeemed (considering that each common share of Bematech shall receive 15 common shares and 85 redeemable preferred shares of Makira II) excluding the dividends declared on this date by Bematech, with no discount in view of the distribution of such dividends ("**Redemption**"). Once redeemed, the preferred shares of Makira II shall be cancelled against the capital reserve to be formed; and
- (c) on the same date, as a subsequent act to the Redemption and interdependent on the Redemption, merger of Makira II by TOTVS, by the book value of Makira II (already considering the effects of the Merger of Bematech's Shares and of the Redemption), with the consequent dissolution of Makira II and the succession, by TOTVS, of all of its assets, rights and obligations ("**Merger of Makira II**").

2.1.1. The Companies will issue another "Material Fact" at the Reorganization consummation date.

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2.2. Reorganization Purpose. The purpose of the Reorganization is Bematech becoming a wholly owned subsidiary of TOTVS, with the receipt, by Bematech's Shareholders, for each share issued by Bematech owned by them at the date of the consummation of the Reorganization, (a) of 0.043421048 common shares issued by TOTVS and (b) of R\$9.35, excluding the dividends declared by Bematech on this date.

### **3. MAIN BENEFITS, COSTS AND RISKS OF THE REORGANIZATION**

3.1. Main Benefits. It is the intention, with the Reorganization and with the future integration of the activities of TOTVS and Bematech, to implement a more efficient structure, upon the sharing of corporate practices, and the potential savings of combined expenses and scale gains. Thus, the intention is the growth of the companies through the concentration of their efforts to create synergies arising from, among others, the complementarities in lines of products and sales' channels. TOTVS and Bematech expect, with the Reorganization, to join efforts to strengthen their portfolio of complementary platforms and solutions with software and hardware to their current products, understanding that the complementarity among their current portfolios of products will make the companies more complete and valuable to their clients and shareholders.

3.2. Reorganization Costs. The Companies' management estimates that the costs for the Reorganization will be in the range of approximately R\$10,000,000.00, including expenses with publications, auditors, appraisers, lawyers and other professionals hired to advise the transaction.

3.3. Reorganization Risks. It is the intention, with the Reorganization, the combination of the activities of TOTVS and Bematech and take advantage of synergies with this integration. The integration process can result in operational, commercial, financial, contractual and technological difficulties, which can unable taking advantage of expected synergies, or result in unforeseen losses or expenses. The management of the involved companies may, therefore, not be able to successfully implement the desired integration, or to obtain expected returns on investments relating to this Reorganization, which may affect them adversely. Furthermore, after the Reorganization, revenues and results of TOTVS and Bematech will be consolidated by TOTVS, so that any future loss of any of the Companies may affect the consolidated results for shareholders of TOTVS and the Bematech's Shareholders that will become shareholders of TOTVS.

### **4. EXCHANGE RATIO OF THE SHARES AND DETERMINATION CRITERIA**

4.1. Merger of Bematech's Shares. The shareholders of Bematech will receive 15 common shares and 85 redeemable preferred shares of Makira II for each common share of Bematech owned by them on the date of the consummation of the Reorganization, resulting in the total issuance, by Makira II, of 4,999,087,000 shares, all registered and with no par value, of which 749,863,050 are common shares and 4,249,223,950 are redeemable preferred shares.

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4.2. Merger of Makira II. Bematech's Shareholders will receive 0,002894737 common share of TOTVS for each common share of Makira II owned by them (and, thus, 0.043421048 common share of TOTVS for each common share of Bematech owned by them on the date of the consummation of the Reorganization), resulting in the total issuance, by TOTVS, of 2,170,656 common shares, all registered and with no par value.

4.3. Criteria. The exchange ratio was negotiated between independent parties, and opinions were issued to the Boards of Directors of TOTVS and of Bematech confirming that those exchange ratios are considered fair. The value of the redemption of the preferred shares of Makira II and the amount of shares of TOTVS to be delivered to the shareholders of Bematech after the Reorganization were defined taking into account an amount of R\$11.00 per share of Bematech, after the distribution of the dividends declared on this date by Bematech, and an amount of R\$38.00 per share of TOTVS, based on the average closing price of TOTVS' shares during the period of 90 days ended on July 29, 2015 (inclusively).

## **5. SUBMISSION OF THE REORGANIZATION TO THE BRAZILIAN AND FOREIGN AUTHORITIES**

5.1. The consummation of the Reorganization shall be subject to the approval by the Brazilian Administrative Council for Economic Defense – CADE, in accordance with article 125 of Law No. 10,406/02. In order to keep the market and its shareholders informed, the Companies will issue "Notices to the Market" whenever the main steps necessary for the approval of the Reorganization by CADE occurs.

## **6. RIGHT OF WITHDRAWAL AND REFUND AMOUNT**

6.1. Right of Withdrawal in the Merger of Bematech's Shares. The shareholders owners of the shares issued by Bematech that do not vote in favor of the Merger of Bematech's Shares and that express their intention within 30 days counted as of the date of the publication of the extraordinary general meeting of Bematech that resolves on the Merger of Bematech's Shares, shall have their right to withdraw from the company guaranteed, through the refund of the shares of Bematech demonstrably owned by them, without interruption, as of this date and until the date of the consummation of the Reorganization. The amount to be paid as the refund shall be equal to the amount of the net equity per share of Bematech on December 31, 2014, in accordance with the financial statements of Bematech approved at the annual shareholders meeting dated of April 16, 2015, which corresponds to R\$8.72 per share, without limiting the right to request a special balance sheet.

6.1.1. Considering that, on the date of the extraordinary general meeting of Makira II that resolves on the Merger of Bematech's Shares, TOTVS will be the sole shareholder of Makira II, there will be no dissident shareholder or right for withdrawal in view of this step of the Reorganization.

6.2. Right of Withdrawal in the Merger of Makira II. Considering that, on the date of the extraordinary general meeting of Makira II that resolves on its merger by

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TOTVS, the latter will be the sole shareholder of Makira II, there will be no dissident shareholder or right of withdrawal due to this step of the Reorganization.

## 7. EXCHANGE RATIO BASED ON ARTICLE 264 OF THE CORPORATION LAW

7.1. Notwithstanding having the exchange ratios been negotiated between TOTVS and Bematech, independent parties, and the issuance of opinions to the Boards of Directors of TOTVS and of Bematech confirming that those exchange ratios are considered fair, and that no withdrawal right is applicable, as mentioned in item 6.2, TOTVS has also requested, for information purposes and considering that, on the date of the Merger of Makira II, TOTVS will be the controlling shareholder of Makira II, the preparation of the appraisal report provided on article 264 of Law No. 6,404/76 ("**Report of the Net Equity at Market Prices**").

7.2. Based on the Report of the Net Equity at Market Prices, the market prices of the net equities of TOTVS and Makira II worth, on March 31, 2015, considering the effects of the Merger of Bematech's Shares and of the Redemption, R\$733,802 thousands and R\$274,241 thousands, respectively, resulting in an implied exchange ratio of 0.012123 common shares issued by TOTVS for each common share issued by Makira II.

## 8. OTHER RELEVANT INFORMATION

8.1. The consummation of the Merger of Bematech's Shares, the Redemption and the Merger of Makira II, shall be subject to the following acts, all of them subject to the approval by the Brazilian Administrative Council for Economic Defense – CADE:

- (a) extraordinary general meeting of Bematech to, in this order, (i) approve the Protocol and Justification; (ii) approve the Reorganization; and (iii) authorize the subscription, by its management, of the new shares to be issued by Makira II;
  - (b) extraordinary general meeting of Makira II to, in this order, (i) approve the Protocol and Justification; (ii) ratify the appointment of the specialized firm; (iii) approve the appraisal report of Bematech's shares; (iv) approve the creation of a new class of preferred shares; (v) approve the Merger of Bematech's Shares; (vi) approve the capital increase to be subscribed and paid in by Bematech's management, with the corresponding amendment to its bylaws; (vii) approve the Redemption, with the corresponding amendment to its bylaws; (viii) approve the Merger of Makira II; and (ix) authorize the subscription, by its management, of the new shares to be issued by TOTVS; and
  - (c) extraordinary general meeting of TOTVS to, in this order, (i) approve the Protocol and Justification; (ii) ratify the appointment of the specialized firm; (iii) approve the appraisal report of Makira II; (iv) approve the Reorganization; and (v) authorize the capital increase to be subscribed and
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paid in by Makira II's management, with the corresponding amendment to its bylaws.

8.2. In case the Reorganization is not consummated within 45 days as of the date on which the Companies submit the Reorganization to CADE, the amounts to be paid to Bematech's Shareholders as a result of the Redemption shall be adjusted, at the shortest period permitted by law, as of the business day immediately after the expiration of 45-day term mentioned above until the date of the effective payment, by 100% of the interest rate on interbank certificates of a business day, disclosed by CETIP S.A. – Mercados Organizados, expressed on an annual percentage, equivalent to the daily result calculated based on a year of 252 business days.

8.3. From the date hereof, in case Bematech performs any other distribution of dividends or interest on net equity, other than the dividends of Bematech in the amount of R\$0.1585 per share declared on the date hereof, the amount to be paid to Bematech's Shareholders due to the Redemption, will be reduced by proportionally.

8.4. The management of TOTVS shall be responsible to perform all necessary acts to implement the Merger of Makira II, including the cancelation of Makira II's registrations before the federal, state and municipal agencies, as well as the maintenance of the accounting books of Makira II during the legal term

8.5. Mr. Wolney Edirley Gonçalves Betiol, owner of shares representing 9.99% of the corporate capital of Bematech, entered on this date, in favor of TOTVS, an instrument by which he declared to be favorable to the transaction and committed to attend to or to be represented at the extraordinary general meeting of Bematech convened to deliberate on the Reorganization and to vote in favor for the approval of the agenda matters, with regards to the consummation of the Reorganization as detailed in the Protocol and Justification.

8.6. The Protocol and Justification and the appraisal report will be available to the shareholders of the Companies at the respective head offices as of this date, on the websites of Relations with Investors of TOTVS (<http://ri.totvs.com.br>) and Bematech (<http://ri.bematech.com.br>), as well as on the websites of CVM and BM&FBOVESPA – *Bolsa de Valores, Mercadorias e Futuros*.

8.7. For further information, please contact the Investor Relations Officers of TOTVS and / or Bematech.

São Paulo, August 14, 2015.

GILSOMAR MAIA SEBASTIÃO e MARCOS ANDREETTO PERILLO  
Chief Investor Relations Officers

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