

TOTVS S.A.

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

Company Registry (NIRE): 35.300.153.171

MINUTES OF THE BOARD OF DIRECTORS MEETING HELD ON SEPTEMBER 6, 2017

1. DATE, TIME AND PLACE: Held on September 6, 2017, from 12 p.m. to 1 p.m., at Av. Braz 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 following members of the Board of Directors ("Board") attended the meeting, namely: Pedro Luiz Barreiros Passos, Germán Pasquale Quiroga Vilardo, Laércio José de Lucena Cosentino, Gilberto Mifano, Mauro Rodrigues da Cunha, Henrique Andrade Trinckquel Filho, Maria Letícia de Freitas Costa and Wolney Edirley Gonçalves Betiol.

4. AGENDA: (A) to consider and vote on (I) the issue, in accordance with Article 59 of Federal Law 6,404, of December 15, 1976, as amended ("Brazilian Corporations Law"), of two hundred thousand (200,000) simples, unsecured, non-convertible debentures, in a single series, of the first (1st) issue of the Company, totaling, on the date of issue, two hundred million reais (R\$200,000,000.00) ("Debentures", "Total Issue Amount" and "Issue", respectively), for public distribution with limited placement efforts, in accordance with Instruction 476 issued by the Securities and Exchange Commission of Brazil ("CVM") on January 16, 2009, as amended ("Restricted Offer" and "CVM Instruction 476", respectively), on a firm placement guarantee basis; (II) grant express authorization to the Executive Board of the Company to carry out all acts and adopt all measures required to: (a) formalize and hire financial institutions that are members of the securities distribution system, and managers, legal advisors and service providers required to implement the Issue and the Restricted Offer, such as the Depository Bank (as defined below), the Settlement Bank (as defined below), B3 S.A. – Brasil, Bolsa, Balcão ("B3"), the trustee ("Trustee"), and others, and to negotiate and sign the respective contracts and any amendments thereof; (b) formalize, consummate and manage the decisions for the Issue and Restricted Offer, and sign all and any instruments related to the Issue and the Restricted Offer, including any amendments; (c) establish additional conditions, carrying act all acts and signing all documents required to execute the decision in item (I) above; and (III) ratify all the acts already taken in connection with the above decisions, including the execution of any amendments, provided they observe, at least, the conditions to be approved in this meeting.

5. PRESENTATIONS AND RESOLUTIONS: After analyzing and discussing the matters on the agenda, the Directors unanimously and without restrictions decided as follows:

5.1. To approve the issue of Debentures, by executing the “Private Indenture of the First (1st) Issue of Simple, Unsecured, Non-Convertible Debentures, in a Single Series, for Public Distribution with Restricted Placement Efforts, of TOTVS S.A.” (“Issue Indenture”) and the holding of a Restricted Offer, with the following terms and conditions:

- (i) Unit Face Value: one thousand reais (R\$1,000.00) on the Issue Date.
- (ii) Issue Date: September 15, 2017.
- (iii) Issue Number: first (1st) issue of simple, non-convertible debentures of the Company.
- (iv) Number of Series: single series.
- (v) Issue Amount: two hundred million reais (R\$200,000,000.00) on the Issue Date.
- (vi) Number of Debentures: two hundred thousand (200,000) Debentures.
- (vii) Settlement Bank and Depository Bank: The settlement bank for the issue will be Itaú Unibanco S.A., a financial institution with registered office in the city of São Paulo, state of São Paulo, at Praça Alfredo Egydio de Souza Aranha, n° 100, Torre Itáusa, inscribed in the Corporate Taxpayers Register (CNPJ/MF) under no. 60.701.190/0001-04 (“Settlement Bank”, whose definition includes any other institution that may succeed the Settlement Bank in the provision of settlement bank services for the Issue). The Depository Bank for the Debentures will be Itaú Corretora de Valores S.A., a financial institution with registered office in the city of São Paulo, state of São Paulo, at Avenida Brigadeiro Faria Lima, n° 3.500, 3° andar, inscribed in the Corporate Taxpayers Register (CNPJ/MF) under no. 61.194.353/0001-64 (“Depository Bank”, whose definition includes any other institution that may succeed the Depository Bank in the provision of underwriting services for the Debentures). The Depository Bank will be responsible for providing bookkeeping services for the Debentures, among other matters listed in the operating standards of B3, as applicable.
- (viii) Form, Type and Proof of Ownership: The Debentures will be registered, book-entry, without provisory or other certificates, and, for all purposes, their ownership will be evidenced by the statement of the deposit account issued by the Depository Bank and, additionally, for Debentures held in electronic custody at B3, the statement issued by it in the name of the holder of Debentures (“Debentureholder”), which shall serve as proof of ownership of said Debentures.
- (ix) Convertibility: The Debentures will be simple, not convertible into shares issued by the Company.
- (x) Type: The Debentures will be unsecured, in accordance with the head paragraph of Article 58 of Brazilian Corporations Law.
- (xi) Maturity Date: The Debentures will mature on September 15, 2020 (“Maturity Date”), subject to the terms and conditions in the Issue Indenture.
- (xii) Form of Subscription and Payment and Subscription Price: The Debentures will be subscribed to and paid for in the primary market, at any time after the start date of the

distribution of the Restricted Offer, in cash, in domestic currency, upon subscription during the period of distribution of the Debentures, pursuant to Articles 7-A and 8 of CVM Instruction 476, at their Unit Face Value. If the Debentures are paid on more than one date, the subscription price of the Debentures that are paid in after the first date of payment of the Debentures (“Date of First Payment”) will be its Unit Face Value plus the Remuneration (as defined below) calculated on a *pro rate temporis* basis from the Date of First Payment or the date of payment of the immediately preceding Remuneration, as applicable, until the date of effective payment (“Subscription Price”).

(xiii) Subscription Period: The Debentures will be subscribed to at their Subscription Price, at any time from the initial date of distribution of the Restricted Offer, subject to Article 8, Paragraph 2 of CVM Instruction 476.

(xiv) Inflation Adjustment of Unit Face Value: The Unit Face Value of the Debentures will not be adjusted for inflation.

(xv) Remuneration: The Debentures will bear interest corresponding to one hundred five point nine five percent (105.95%) of the accumulated variation of the average daily DI (Interbank Deposit) rates per day, over extra group, expressed as a percentage per year of two hundred fifty-two (252) business days, calculated and published daily by B3 through its daily newsletter available on the website www.cetip.com.br (“Remuneration” and “DI Over Rate”, respectively). The Remuneration will be compound and cumulative, calculated on a *pro rata temporis* basis per business days elapsed, on the Unit Face Value, from the Date of First Payment or the date of payment of the immediately preceding Remuneration of the Debentures, as applicable, to the date of effective payment, in accordance with the formula to be established in the Issue Indenture.

(xvi) Payment of Remuneration: Without prejudice to the early payment of the Debentures due to the declaration of early maturity of the obligations resulting from the Debentures and/or Offer for Early Redemption, in accordance with the Issue Indenture, the Remuneration will be due semiannually, from the Issue Date, on March 15 and September 15 of each year, with the first payment due on March 15, 2018, and the final payment due on the Date of Maturity of the Debentures.

(xvii) Amortization: The Unit Face Value of the Debentures will be paid fully in a single installment on the Date of Maturity, except in cases of early redemption arising from the occurrence of any of the Events of Default and/or Offer for Early Redemption, in accordance with the Issue Indenture.

(xviii) Place of Payment: Payments related to the Debentures and to any other amounts that may be due by the Company will be made by the Company (i) according to the procedures adopted by B3 for Debentures held under electronic custody at B3; or (ii) through the Depository Bank, for Debentureholders whose debentures are not held under electronic custody at B3.

(xix) Extension of Terms: The terms for payment of any obligation by any of the parties, including by Debentureholders, with regard to the payment of the Subscription Price, will be considered extended until the first (1st) subsequent Business Day, if such payment is due on a day on which there is no business or bank service in the city of São Paulo, state of São

Paulo, without any penalty, except for payments to be made through B3, in which case the extension will only apply to payments due on national holidays, Saturdays or Sundays. For the purposes of the Issue, a “Business Day” is considered any day except Saturdays, Sundays or national holidays.

(xx) Charges for Late Payment: Without prejudice to Remuneration, in case of late payment of any amount due to the Debentureholders, pursuant to the Issue Indenture, the late payments will bear a fine for late payment of two percent (2%) on the amount due, and interest for late payment calculated from the date of arrears to effective payment date, at the rate of one percent (1%) per month, on the amount due, regardless of notice, notification or court or out-of-court notification, in addition to any collection expenses (“Charges for Late Payment”).

(xxi) Peremption of Rights to Additional Payments: Failure by the Debentureholder to be present to receive any financial obligations of the Company on the dates set forth in the Issue Indenture, or in a notice published by the Company, shall not entitle such Debentureholder to receive the Remuneration and/or Charges for Late Payment in the period related to the delay in receipt, although they shall be entitled to receive their rights acquired until the date of maturity or payment, in case of late payment.

(xxii) Scheduled Rollover: There will be no scheduled rollover of the Debentures.

(xxiii) Publicity: All notices, warnings, acts and decisions in connection with the Issue that may involve the interests of Debentureholders must be communicated through a “Notice to Debentureholders” and disclosed to the public, in accordance with the issuer’s Policy on Disclosure of Material Information and Preservation of Confidentiality, through: (i) the news portal Valor Econômico (www.valor.com.br/fatosrelevantes); (ii) the website of the Company (<http://ri.totvs.com.br>); (iii) the system for submission of Periodical and Special Information of the CVM (IPE System), as permitted by CVM Instruction 547 of February 5, 2014; and (iv) the website of the stock exchanges on which the Issuer’s securities are traded. If the Issuer amends, at its sole discretion, the forms of disclosure listed above, after the Issue Date, it must (i) notify the Trustee of the new vehicles of communication of material facts and events; and (ii) publish, in the previously used vehicles, a notice to Debentureholders informing the new disclosure channels. The Issuer’s Policy on Disclosure of Material Information and Preservation of Confidentiality is available on the Issuer’s website (ri.totvs.com). The period for Debentureholders to respond, if necessary, must be in accordance with applicable laws, the Issue Indenture or, in case there is no express provision, of at least ten (10) days from the date of publication. Such acts and decisions must be submitted to the Trustee within five (5) Business Days from said disclosure.

(xxiv) Liquidity and Stabilization: No liquidity maintenance fund will be constituted and no contract will be signed to guarantee liquidity or stabilization of the prices of Debentures.

(xxv) Tax Exemption of Debentureholders: If any Debentureholder enjoys any form of tax exemption, such Debentureholder must submit to the Settlement Bank and the Depository Bank, within ten (10) business days prior to the payment dates of the Debentures, the respective documentation evidencing such tax exemption, under penalty of having their payments deducted in accordance with applicable tax laws.

(xxvi) Right to Receive Payments: Debentureholders on record on the last Business Day immediately prior to the respective payment date will be entitled to receive any amounts due to Debentureholders specified in the Issue Indenture.

(xxvii) Optional Purchase: The Company may, at any time and at its sole discretion, purchase the Debentures, in compliance with Article 55, Paragraph 3 of Brazilian Corporations Law and the restrictions on trading set forth in CVM Instruction 476. Any Debentures purchased by the Company may be canceled, once again placed in the market or held in the Company's treasury, which must be disclosed in the management report and the financial statements of the Company. If and when the Debentures held in treasury are placed on the market, they will be entitled to the same Interest as other Debentures.

(xxviii) Offer for Early Redemption: Without prejudice to the provisions in the item above, the Company may, at its sole discretion and at any time, make an offer for early redemption of the Debentures for subsequent cancellation, addressed to all Debentureholders without distinction, ensuring equal conditions to all Debentureholders, to accept the early redemption of the Debentures held by them, in accordance with the terms and conditions of the Issue Indenture.

(xxix) Early Maturity Events: in case of occurrence of any early maturity events, as defined in the Issue Indenture, and in compliance with the respective terms and conditions for remediation to be established in the Issue Indenture, the Trustee must, pursuant to the Issue Indenture, consider early maturity and payable immediately, regardless of notice, notification, court-ordered or out-of-court notification, all the obligations due by the Company regarding the Debentures, and require the Company to pay all the dues, as per the conditions in the Issue Indenture.

(xxx) Use of Proceeds: The proceeds from the Offer will be fully allocated to meet working capital requirements, investments in connection with the corporate purpose of the Issuer and/or prepayment of debt.

(xxxii) Deposit for Distribution, Trading and Electronic Custody: The Debentures will be deposited for (a) distribution in the primary market through the Asset Distribution Module - MDA ("MDA"), managed and operated by B3 S.A. – Brasil, Bolsa, Balcão ("B3"), with financial settlement of the distribution carried out through B3; (b) trading on the secondary market through CETIP21 – Securities ("CETIP21"), managed and operated by B3, with all trading financially settled through B3; and (c) electronic custody at B3.

(xxxiii) Placement of the Debentures: The Debentures will be publicly distributed, with limited distribution efforts, in accordance with CVM Instruction 476, on a firm commitment basis, for the Total Issue Amount, using the brokerage services of Banco ABC Brasil S.A., a financial institution that is a member of the Brazilian securities distribution system responsible for distributing the Debentures ("Lead Manager"), pursuant to the "Private Instrument for Coordination, Placement and Public Distribution with Limited Distribution Efforts, of the First (1st) Issue of Simple, Unsecured, Non-Convertible Debentures, in a Single Series of TOTVS S.A.", to be signed by the Company and the Lead Manager ("Placement Contract").

(xxxiii) Other characteristics and approval of Issue Indenture: Other characteristics and conditions of Issue and of the Debentures will be those specified in the Issue Indenture.

5.2. To authorize the Executive Board of the Company to carry out all acts and adopt all measures required to: **(a)** formalize and engage the Lead Manager, legal advisors and service providers required to carry out the Issue and the Restricted Offer, such as B3, the Trustee, and others, and to negotiate and sign the respective contracts and any amendments thereof. Note that the Board approved the hiring of the Depository Bank and the Settlement Bank, related parties of the Company, pursuant to Clause 3, item (b)(vi) of the Company's Related Party Transaction Policy, with the Company's Executive Board hereby authorized to negotiate and sign the respective contracts and/or respective amendments in connection with the Offer; **(b)** formalize, execute and manage the decisions here for the Issue and Restricted Offer, and sign all and any instruments related to the Issue and the Restricted Offer, including any amendments; and **(c)** to establish additional conditions, carrying out all acts and signing all documents required to execute the decision in item 5.1 above.

5.3. To ratify all the acts already carried out by the Executive Board of the Company and any of its attorneys-in-fact in relation to the decisions above, the Issue and the Offer.

5.4. The Executive Board of the Company is hereby authorized to sign all and any contract related to the Issue and the Restricted Offer and to adopt all measures required to obtain the funds, including signing amendments, provided they observe at least the conditions approved herein.

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.

São Paulo, September 6, 2017

Pedro Luiz Barreiros Passos
Chairman

André Rizk
Secretary