

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 FEBRUARY 5, 2018

1. **DATE, TIME AND PLACE:** Held on February 5, 2018, from 9 a.m. to 2 p.m., at Av. Braz Leme, nº 1000, 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”). All the 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, Wolney Edirley Gonçalves Betiol; Henrique Andrade Trinckquel Filho, Claudia Elisa de Pinho Soares and Maria Letícia de Freitas Costa.

Also present were Gilsomar Maia Sebastião, Administrative and Financial Vice President / Investor Relations Officer; Flávio Balestrin, Marketing, Alliances, Business Models, Channels and Human Resources Vice President, and Michele de Oliveira Endler Virgilio, Corporate Governance Coordinator, as well as Luiz Carlos Marques and Hernane Rocha, representatives of Ernst & Young Auditores Independentes S.S.

4. **AGENDA:** (i) Executive Session; (ii) Report from the Chief Executive Officer and the Administrative and Financial Vice President / Investor Relations Officer; (iii) Report on the activities of the Audit Committee, including (a) analysis and examination of the Financial Statements for the fiscal year ended on December 31, 2017, accompanied by the Management Report and the Independent Auditor's Report; (b) analysis and examination of the proposal for the 2018 capital budget and allocation of net income from the fiscal year ended on December 31, 2017; and (c) approval of the proposed accounting of the recovery of the Company's deferred tax assets; (iv) Report on the activities of the Personnel and Compensation Committee, including approval of adjustments to the Long-Term Incentive Plan in force; (v) Report on the activities of the Governance and Designation Committee; and (vi) Change of address of the branch in Assis, São Paulo.

5. PRESENTATIONS AND RESOLUTIONS:

5.1. The directors met in an executive session without the presence of executive officers.

5.2. The Board of Executive Officers presented and commented on the consolidated results of the Company in 2017, as well as the periodical monitoring indicators of the Board of Directors.

5.2.1. Luiz Carlos Marques and Hernane Rocha, representatives of Ernst & Young Auditores Independentes S.S., presented the conclusions of external audit for the fiscal year ended on December 31, 2017, as well as their unqualified opinion.

5.3. After the report on the most recent activities of the Audit Committee was presented, the Board discussed and **approved**, by unanimous vote and without reservations, as recommended by the Audit Committee:

5.3.1. The Financial Statements for the fiscal year ended on December 31, 2017, accompanied by the Management Report and the Independent Auditor's Report, and their submission to the Annual Shareholders Meeting of the Company for deliberation. The Board of Directors authorized the Board of Executive Officers to take the necessary measures to disclose the Financial Statements to the Securities and Exchange Commission of Brazil ("CVM"), the São Paulo Stock Exchange (B3 S.A. – Brasil, Bolsa, Balcão - B3) and the market through CVM's EmpresasNet system, to publish them in the State Register of São Paulo, the newspaper Valor Econômico and the Company's Investor Relations website (<http://ri.totvs.com>).

5.3.2. Following is the allocation of the net income from 2017 and its submission to the Annual Shareholders Meeting for deliberation was approved:

NET INCOME	R\$92,980,267.17
Legal Reserve	R\$4,649,013.36
Interest on Equity	R\$50,346,575.67
Dividends	R\$ 5,441,584.63
Profit Retention Reserve	R\$ 32,543,093.51

The total net income of R\$92,980,267.17 was allocated as follows: **(a)** R\$4,649,013.36 to the constitution of the legal reserve of five percent (5%); **(b)** R\$50,346,575.67 to the payment of interest on equity to shareholders, paid on October 6, 2017 and to be paid on May 9, 2018, as approved by the Board of Directors in the meetings held on July 31, 2017 and December 21, 2017, respectively; **(c)** R\$5,441,584.63 to the distribution of dividends, corresponding to R\$0.033301058 per share, as resolved on this date; and **(d)** R\$32,543,093.51 to profit retention reserve, under article 196 of Federal Law 6,404/76. Said dividends will be paid on May 9, 2018, subject to approval by the Annual Shareholders Meeting of the Company, according to the shareholding position on April 5, 2018, and the Company's shares will be traded ex-dividends as of April 6, 2018 (inclusive).

5.3.3. The Management proposal for capital increase in the amount of R\$51,387,796.01 without the issue of new shares, through capitalization of profit retention reserve resulting from the capital budget and the consequent amendment to the head paragraph of article 5

of the Bylaws of the Company, on account of the investments made in 2017, and its submission to the Annual Shareholders Meeting for deliberation.

5.3.4. The proposed booking of recovery of the deferred tax assets of the Company, as per CVM Instruction 371/2002 and the accounting standards in force.

5.4. After the report on the most recent activities of the Personnel and Compensation Committee was made, the Board discussed and **approved**, by unanimous vote, as recommended by the Personnel and Compensation Committee, the proposed adjustment to the Share-Based Incentive and Retention Plan, deliberated at the Extraordinary Shareholders Meeting held on December 15, 2015 ("Plan"), and approved its submission to the Annual Shareholders Meeting for deliberation.

5.5. The report on the most recent activities of the Governance and Designation Committee was presented.

5.6. The Board unanimously **approved**, pursuant to article 2 of the Bylaws of the Company, the change of address of the branch inscribed in the corporate taxpayers register (CNPJ/MF) under no. 53.113.791/0027-61 and with Company Registry (NIRE) no. 35904927040, from: Rua Prudente de Moraes, 654, sala 6 – Centro, Assis – SP, CEP: 19.806-160 to: Rua Sebastião da Silva Leite, 1333 - Centro, Assis – SP, CEP: 19800-200.

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, February 5, 2018

Pedro Luiz Barreiros Passos
Chairman of the Meeting

André Rizk
Secretary