

TOTVS S.A.
PUBLICLY HELD COMPANY

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

Company Registry (NIRE): 35.300.153.171

MINUTES OF THE ANNUAL AND EXTRAORDINARY SHAREHOLDERS
MEETING HELD ON APRIL 5, 2018

1. DATE, TIME AND PLACE: On April 5, 2018, at 10:00 a.m., at the registered office of TOTVS S.A. ("TOTVS" or "Company"), located in the city and state of São Paulo, at Av. Brás Leme, 1000, Casa Verde, Zip Code 02511-000.

2. CALL NOTICE: Call notice was published, on March 8, 9 and 10, 2018, in the state register *Diário Oficial do Estado de São Paulo* on pages 69, 97 and 28, respectively, and in the newspaper *Valor Econômico* on pages E36, E12 and E3, respectively.

3. ATTENDANCE: Shareholders representing 85,07% of the voting capital of the Company were present, as follows: (i) the signatures in the "Shareholders Attendance List"; and (ii) the distance-voting ballots received directly by the Company and through Banco Itaú S.A., its stock transfer agent, pursuant to CVM Instruction 481/09. Also present were Mr. Luiz Carlos Marques, representative of *Ernst & Young Auditores Independentes S.S.*, and Messrs. Gilberto Mifano and Mauro Gentile Rodrigues da Cunha, members of the Board of Directors and the Audit Committee and Gilsomar Maia Sebastião, Chief Financial Officer and Investor Relations Director.

4. PRESIDING BOARD: Chairman: Mr. André Haddad Rizk; Secretary: Debora Calabro.

5. PUBLICATIONS, READING AND DOCUMENTS: The financial statements of the Company were published on February 8, 2018 in the state register *Diário Oficial do Estado de São Paulo* and the newspaper *Valor Econômico* on pages 7 and E9, respectively. Reading of said documents was waived pursuant to Article 133 of Federal Law 6,404/76. Since no Fiscal Council has been constituted, there is no report from the Fiscal Council. Other documents supporting the deliberations on the agenda below were made available pursuant to applicable regulations and the Bylaws of the Company.

6. AGENDA: (a) At the Annual Shareholders Meeting: (i) to receive the management accounts, examine, discuss and vote on the financial statements of the Company for the fiscal year ended December 31, 2017; (ii) to consider and vote on the capital budget for the purposes of article 196 of Federal Law 6,404/76; (iii) to consider and vote on the allocation of net income from the year and on the distribution of dividends; (iv) to fix the number of members of the Board of Directors, pursuant to article 16, paragraph 3, of the Bylaws of the Company; (v) to vote on the election of the members of the Board of

Directors; and **(vi)** to fix the overall annual compensation of members of the Board of Directors and the Board of Executive Officers for the fiscal year of 2018; and **(b) At the Extraordinary Shareholders Meeting:** **(i)** to consider and vote on the proposal to increase the capital through capitalization of the profit retention reserve, and the consequent amendment to the head paragraph of Article 5 of the Bylaws of the Company; **(ii)** to consider and vote on the amendment to the Bylaws of the Company in order to adapt it to the requirements provided in the *Novo Mercado* Listing Regulation of B3 S.A. – Brasil, Bolsa, Balcão (“B3”), considering it became effective on January 2, 2018; and **(iii)** to consider and vote on the consolidation of the Bylaws of the Company, contemplating the proposed amendments of items (i) and (ii) above, on the extension of their approvals; **(iv)** to consider and vote on the amendment to the Share Based Incentive and Retention Plan in effect, approved on the shareholders’ meeting held on December 15, 2015 (“Incentive Plan”); and **(v)** to consider and vote on the granting of restrictive shares to key-executives of the Company pursuant to the Incentive Plan, in accordance to the Management Proposal.

7. RESOLUTIONS: After discussing the matters on the Agenda and reading the summarized voting map, consolidating the votes casted through distance-voting ballots, which was made available to shareholders, pursuant to paragraph 4, article 21-W of CVM Instruction 481/09, recording the abstentions and votes in favor and against, as applicable, shareholders decided:

At the Annual Shareholders Meeting:

7.1. To approve, without reservations, by unanimity of the present voting shareholders, with 97.911.879 votes in favor and 41.133.407 abstentions, with the abstention of the shareholders LC EH Participações e Empreendimentos, Laércio José de Lucena Cosentino, Mauro Gentile Rodrigues da Cunha, BNDES Participações S.A., André Haddad Rizk and Gilsomar Maia Sebastião, the management accounts and financial statements of the Company, accompanied by the management’s, the independent auditor’s and the Audit Committee’s reports, all related to the fiscal year ended December 31, 2017.

7.2. To approve, by unanimity of the present voting shareholders, with 137.932.632 votes in favor and 1.112.654 abstentions, the following capital budget proposal for fiscal year 2018, pursuant to article 196 of Federal Law 6,404/76: retention of profits of the fiscal year of 2017 in the amount of R\$32,543,093.51 to meet the needs of the Company’s 2018 plan to invest in expansion projects, acquisition of assets and strategic initiatives, considering the Company’s investment plan for 2018 proposed by the Board of Executive Officers amounts to R\$56,754,024.68, which will be funded by Profit Retention and by cash generated by the Company’s operations.

7.3. To approve, by unanimity of the present voting shareholders, with 137.932.632 votes in favor and 1.112.654 abstentions, the following proposal for the allocation of net

income recorded in the fiscal year ended December 31, 2017, observing the applicable corporate laws and the Company's Bylaws:

Net profit	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

Of the total net profit from the year, a sum of R\$ 92,980,267.17 was allocated as follows:

- (a) R\$ 4,649,013.36 to the legal reserve, equivalent to five percent (5%) of the net profit;
- (b) R\$ 50,346,575.67 to 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, equivalent to R\$ 0.033301058 per share, as approved by the Board of Directors in the meeting held on February 5, 2018. Said dividends will be paid on May 9, 2018, according to the share ownership record on April 5, 2018 (included), and the Company's shares will be traded ex-dividends as of April 6, 2018; and
- (d) R\$ 32,543,093.51 to the profit retention reserve, pursuant to article 196 of Federal Law 6,404/76.

Dividends will be paid without withholding income tax, as follows: (i) through automatic credit to shareholders with individual (CPF) or corporate (CNPJ) taxpayer registration number and who have already provided their bank information (Bank, Branch/Checking Account Number); (ii) for shareholders whose records do not include a CPF/CNPJ number and/or bank information (Bank/Branch/Checking Account Number), dividends will be paid as of the third business day after they update their records at Banco Itaú S.A., which may be done at any branch of the bank or by mail sent to Banco Itaú S.A. – Diretoria de serviços para Mercado de Capitais, located at Avenida Eng. Armando de Arruda Pereira, n° 707, 9° andar, Jabaquara, São Paulo/SP, CEP 04344-902; (iii) for shareholders using fiduciary custody services, dividends will be made available in accordance with the procedures defined by the stock exchange.

7.4. To approve, by unanimity of the present voting shareholders, with 137.932.632 votes in favor and 1.112.654 abstentions, the composition of the Board of Directors with 9 members.

7.5. To elect the following members to the Company's Board of Directors:

(a) by majority of the present voting shareholders, with 137.163.382 votes in favor, 7.700 votes against, and 1.874.204 abstentions, Mrs. **CLAUDIA ELISA DE PINHO SOARES**, Brazilian, single, business administrator, resident and domiciled in the city and state of São Paulo, with business address in the same city, at Avenida Braz Leme, 1000, Zip Code 02511-000, enrolled in the individual taxpayer registry of the Ministry of Finance (CPF/MF) under no. 005.639.287-78 and holder of identification document (RG) no. 07376147-0 IFP- RJ, identified as Independent Director, according to the criteria provided by the *Novo Mercado* Listing Regulation of B3 and of the Bylaws of the Company;

(b) by majority of the present voting shareholders, with 137.142.282 votes in favor, 28.800 votes against, and 1.874.204 abstentions, Mr. **GILBERTO MIFANO**, naturalized Brazilian, married, business administrator, resident and domiciled in the city and state of São Paulo, with business address in the same city, at Rua Amauri, 255, 3rd floor, Zip Code 01448-000, enrolled in the individual taxpayer registry of the Ministry of Finance (CPF/MF) under no. 566.164.738-72 and holder of identification document (RG) no. 3.722.086 SSP/SP, identified as Independent Director, according to the criteria provided by the *Novo Mercado* Listing Regulation of B3 and of the Bylaws of the Company;

(c) by unanimity of the present voting shareholders, with 137.171.082 votes in favor and 1.874.204 abstentions, Mr. **GUILHERME STOCCO FILHO**, Brazilian, single, business administrator, resident and domiciled in the city and state of São Paulo, with business address in the same city, at Rua Dr. Homem de Melo, n^o 856, Zip Code 05007-002, Perdizes, enrolled in the individual taxpayer registry of the Ministry of Finance (CPF/MF) under no. 176.649.438-25 and holder of identification document (RG) no. 18.288.054 SSP, identified as Independent Director, according to the criteria provided by the *Novo Mercado* Listing Regulation of B3 and of the Bylaws of the Company;

(d) by majority of the present voting shareholders, with 136.398.611 votes in favor, 772.471 votes against and 1.874.204 abstentions, Mr. **LAÉRCIO JOSÉ DE LUCENA COSENTINO**, Brazilian, married, electric engineer, resident and domiciled in the city and state of São Paulo, with business address in the same city, at Avenida Braz Leme, 1000, Zip Code 02511-000, enrolled in the individual taxpayer registry of the Ministry of Finance (CPF/MF) under no. 032.737.678-39 and holder of identification document (RG) no. 8.347.779 – SSP/SP;

(e) by majority of the present voting shareholders, with 137.163.382 votes in favor, 7.700 votes against, and 1.874.204 abstentions, Mrs. **MARIA LETÍCIA DE FREITAS COSTA**, Brazilian, single, production engineer, resident and domiciled in the city and state of São Paulo, with business address in the same city, at Rua Tenente Negrão, 140, 14th floor, Zip Code 0453-030, enrolled in the individual

taxpayer registry of the Ministry of Finance (CPF/MF) under no. 050.932.788-58 and holder of identification document (RG) no. 6.057.278-4 SSP/SP, identified as Independent Director, according to the criteria provided by the *Novo Mercado* Listing Regulation of B3 and of the Bylaws of the Company;

(f) by majority of the present voting shareholders, with 137.142.282 votes in favor, 28.800 votes against, and 1.874.204 abstentions, Mr. **MAURO GENTILE RODRIGUES DA CUNHA**, Brazilian, married, bachelor in economics, resident and domiciled in the city and state of São Paulo, with business address at Rua Joaquim Floriano 1120/101, Zip Code 04534-004, enrolled in the individual taxpayer registry of the Ministry of Finance (CPF/MF) under no. 004.275.077-66 and holder of identification document (RG) no. 404.399 MM, identified as Independent Director, according to the criteria provided by the *Novo Mercado* Listing Regulation of B3 and of the Bylaws of the Company;

(g) by unanimity of the present voting shareholders, with 137.171.082 votes in favor and 1.874.204 abstentions, Mr. **PAULO SERGIO CAPUTO**, Brazilian, married, lawyer, resident and domiciled in the city and state of São Paulo, with business address in the same city, at Rua Haddock Lobo, nº 746, 6 floor, Jardim Paulista, Zip Code 01423-000, enrolled in the individual taxpayer registry of the Ministry of Finance (CPF/MF) under no. 420.174.249-00 and holder of identification document (RG) no. 410 000 SSP/SC, identified as Independent Director, according to the criteria provided by the *Novo Mercado* Listing Regulation of B3 and of the Bylaws of the Company;

(h) by majority of the present voting shareholders, with 135.914.682 votes in favor, 1.256.400 votes against and 1.874.204 abstentions, Mr. **PEDRO LUIZ BARREIROS PASSOS**, Brazilian, married, production engineer, resident and domiciled in the city and state of São Paulo, with business address in the same city, at Rua Amauri, 255, 3rd floor, Zip Code 01448-000, enrolled in the individual taxpayer registry of the Ministry of Finance (CPF/MF) under no. 672.924.618-91 and holder of identification document (RG) no. 4700753 – SSP/SP, identified as Independent Director, according to the criteria provided by the *Novo Mercado* Listing Regulation of B3 and of the Bylaws of the Company;

(i) by majority of the present voting shareholders, with 137.163.382 votes in favor, 7.700 votes against and 1.874.204 abstentions, Mr. **WOLNEY EDIRLEY GONÇALVES BETIOL**, Brazilian, married, electric engineer, resident and domiciled in the city of Curitiba, state of Paraná, with business address in São Paulo, at Avenida Braz Leme, 1000, Zip Code 02511-000, enrolled in the individual taxpayer registry of the Ministry of Finance (CPF/MF) under no. 598.476.979-49 and holder of identification document (RG) no. 3.314.094-0 SESP/PR, identified as

Independent Director, according to the criteria provided by the *Novo Mercado* Listing Regulation of B3 and of the Bylaws of the Company.

The members of the Board of Directors elected herein will be invested in their positions in accordance with article 149 of Brazilian Corporations Law and will remain in office until the 2020 Annual Shareholders Meeting or until they are removed or replaced by the Shareholders Meeting.

The members of the Board of Directors elected herein (a) declare, under the penalties of law, to comply with the provisions of article 147 of Law No. 6,404/76 and CVM Instruction 367/02 for their investiture as members of the Company's Board of Directors; (b) will be invested in their positions by signing the respective Instruments of Investiture drawn up in the Meeting Minutes Book of the Board of Directors and the statements referred to in CVM Instruction 367/02.

As stated in the declarations provided by the Directors reelected, the members abovementioned, except Mr. Laércio José de Lucena Cosentino, comply with the independence criteria provided in the *Novo Mercado* Listing Regulation.

7.6. To approve, by majority of the present voting shareholders, with 136.676.232 votes in favor, 1.248.700 votes against and 1.120.354 abstentions, to fix the overall annual compensation of the managers at up to R\$ 31,540,284.56 for the fiscal year of 2018, of which R\$ 3,244,560.70 for the Board of Directors and R\$ 28,295,723.86 for the Board of Executive Officers.

At the Extraordinary Shareholders Meeting:

7.7. To approve, by unanimity of the present voting shareholders, with 138.917.186 votes in favor and 128.100 abstentions, an increase in the capital by R\$ 51,387,796.01, without the issue of new shares, by capitalizing the profit retention reserve resulting from the capital budget, with the capital increasing from R\$ 989,840,768.42 to R\$ 1,041,228,564.43, divided into 165,637,727 registered, book-entry common shares with no par value, and the consequent amendment to the head paragraph of article 5 of the Bylaws of the Company, which shall henceforth have the following wording:

“Article 5 – The Company's corporate capital fully subscribed and paid in is R\$1,041,228,564.43 (one billion, forty one million, two hundred and twenty eight thousand, five hundred and sixty four Brazilian reais and forty three cents), divided into one hundred sixty-five million, six hundred thirty-seven thousand, seven hundred twenty-seven (165,637,727) registered, book-entry common shares, without par value.”

7.8. To approve, by unanimity of the present voting shareholders, with 138.917.186 votes in favor and 128.100 abstentions, the amendment to the Bylaws of the Company in order to adapt it to the requirements provided in the *Novo Mercado* Listing Regulation of B3

S.A. – Brasil, Bolsa, Balcão (“B3”), considering it became effective on January 2, 2018, in accordance to the Management Proposal.

7.9. To approve, by unanimity of the present voting shareholders, with 138.917.186 votes in favor and 128.100 abstentions, the consolidation of the Bylaws of the Company, contemplating the proposed amendments of items 7.7 and 7.8 above, which is therefore part of the minutes of this meeting as Exhibit I.

7.10. To approve, by majority of the present voting shareholders, with 73.084.296 votes in favor, 65.832.890 votes against, and 128.100 abstentions, the amendment to the Incentive Plan, in accordance to the Management Proposal. The consolidated version of the Incentive Plan, incorporating the amendments approved herein, is therefore part of the minutes of this meeting as Exhibit II.

7.11. To approve, by majority of the present voting shareholders, with 73.899.245 votes in favor, 36.284.018 votes against, and 28.862.023 abstentions, the grant realized by the Board of Directors to certain key-executives of the Company, members of the Board of Executive Officers, under the Incentive Plan, as means of retention and alignment of such executives, of a lot of 256,693 restricted shares currently on treasury, representing 0.1549725% of the capital stock, in compliance to the quantitative limit set forth on the Incentive Plan, observing the same terms and conditions regarding the reference price and the lockup period for the exercise, which ends on January 1, 2020.

7.12. To place on record the request, on both meetings, to install the Fiscal Council made by shareholders owning more than 2% of the total stock capital of the Company. However, since there were no candidates to the Fiscal Council nominated by shareholders, the shareholders present decide that the request for installation could not be fulfilled, with the abstention of BNDESPar.

8. CLARIFICATIONS: Authorization was given to draw up these minutes in summary format, pursuant to paragraph 1, article 130 of the Brazilian Corporations Law as well as their publication without the signatures of shareholders, pursuant to paragraph 2, article 130 of the Brazilian Corporations Law and paragraph 6, article 10 of the Bylaws of the Company.

9. RECORDS: Dissenting votes and abstentions were received and, after being numbered and authenticated by the Presiding Board, were filed at the Company’s headquarters, pursuant to paragraph 1, article 130 of Federal Law 6,404/76.

10. APPROVAL AND SIGNING OF MINUTES: There being no further business to discuss, the meeting was adjourned to draw up these minutes. After the meeting resumed, these minutes were read, approved and signed by all those present, including shareholders who voted through distance-voting ballot, pursuant to article 21-V, sole paragraph of CVM Instruction 481/2009.

São Paulo, April 5, 2018.

Presiding Board:

André Rizk
Chairman

Debora Calabró
Secretary

Present Shareholders:

Aberdeen Global - Emerging Markets Smaller Companies Fund; Aberdeen Global - Latin American Equity Fund; Aberdeen Global - Technology Equity Fund; Aberdeen Global Brazil Equity Fund; Aberdeen Latin American Equity Fund; Aberdeen Latin American Income Fund LLC; BNP Paribas Trust Services Aberdeen Global Technology Fund; Comgest Growth Plc; Destinations International Equity Fund; Essor Asia Opportunités; Essor Emergent; Fidelity Advisor Series I: Fidelity Advisor Balanced Fund; Franklin Templeton Investment Funds; Genesis Emerging Markets Fund Limited; Public Employees Retirement System of Ohio; Stichting Depository Apg Emerging Markets Equity Pool; Templeton Developing Markets Trust; Templeton em Mark Invest Trust Plc; Templeton Emerging Markets Fund (Us); the Boeing Company Employee Retirement Plans Master Trust; the Master Trust Bank of Japan, Ltd. as T. for Mtbj400045833; Vanguard Emerging Markets Stock Index Fund; Vanguard Total International Stock Index Fd, A SE Van S F; VantageTrust III Master Collective Investment Funds Trust; e Variable Insurance Products F Iii: Balanced Portfolio

p.p. Paulo Roberto Brandão

Ernesto Mario Haberkorn; Laercio Jose de L Cosentino; e LC EH Part e Empreend AS
p.p. Rodrigo Sanches Marcon

BNDES Participações S/A Bndespar
p.p. Marina Estato Frediani

Andre Haddad Rizk

Gilsomar Maia Sebastiao

Mauro Gentile Rodrigues da Cunha

Shareholders who voted through distance-voting ballot:

Representative of 1199 Health Care Employees Pension Fund; 1199 Seiu Greater New York Pension Fund; 1199seiu Home Care Employees Pension Fund; Aberdeen Institutional Commingled Funds, LLC; Advanced Series Trust - Ast Goldman Sachs Multi-Asset Portfo; Advanced Series Trust - Ast Parametric Eme Portfolio; Agf Emerging Markets Fund; Agf Emerging Markets Pooled Fund; Altrinsic Emerging Markets Fund, L.P.; Aquila Emerging Markets Fund; Arrowstreet Multi-Strategy Umbrella Plc - Arrowstreet Emfiii; Baron Collective Investment Trust; Baron Emerging Markets Fund; Baron Emerging Markets Fund Ltd.; California Public Employees Retirement System; Central States Southeast Southwest A PE FD; CF DV Acwi Ex-U.S. Imi Fund; Cibc Latin American Fund; City of New York Deferred Compensation Plan; College Retirement Equities Fund; Colonial First State Global Asset Management Equity Trust 3; Commonwealth Emerging Markets Fund 2; Commonwealth of Pennsylv.Pub.School Emp Ret S; Commonwealth of Pennsylvania State e R System; Consolidated Edison Retirement Plan; Cornell University; Desjardins Emerging Markets Multifactor - Controlled Volatil; Eaton Vance Collective Investment Tfe Ben Plans em MQ Equ FD; Eaton Vance Int (Ir) F Plc-Eaton V Int (Ir) Par em Mkt Fund; Eaton Vance Management; Eaton Vance TR CO CO TR FD - PA Str em Mkts EQ Com TR FD; Emerging Markets Small Capitalization Equity Index Fund; Essex County Council; Evtc Cit Fof Ebp-Evtc Parametric Sem Core Equity Fund TR; Fidelity Advisor Series I: Fidelity Advisor Value Fund; Fidelity Cap Trust : Fidelity V Fund; Fidelity Devonshire Trust; Fidelity Flex Mid Cap Value Fund; Fidelity Investments Charitable Gift Fund; Fidelity Puritan Trust F B Fund; Fidelity Rutland Square Trust Ii: Strategic A e M Fund; Fidelity Salem Street T: Fidelity Total Inte Index Fund; First ST Invest Icvc - Stewart Invest GL Emer MK Sust Fund; First State Invest Icvc - Stewart Invest Latin America Fund; First Trust Nasdaq Artificial Intelligence and Rob; Florida Retirement System Trust Fund; Forbes Reinsurance Company Ltd; Ford Motor Company of Canada, L Pension Trust; Fpa Funds Trust S Fpa International Value Fund; Fundamental Low V I e M Equity; Generosity Limited; Genesis Emerging Markets Business Trust; Genesis Emerging Markets Ltd Partnership; George Kaiser Family Foundation; George Lucas Family Foundation; Global Asset Management Strategies - Emerging Markets e S; Gmam Investment Funds Trust; Goldman Sachs Profit Sharing Master Trust; Goldman Sachs Trust Ii- Goldman Sachs Multi-Manager G e Fund; Guidestone Funds Emerging Markets Equity Fund; Gwl Global Investment, LLC; Harbor Diversified International All Cap Fund; Harmony Overseas Equity Pool; Harris Associates Investment Trust; HC Capital Trust the Emerging Markets Portfolio; Howard Hughes Medical Institute; Ibm 401 (K) Plus Plan; International Monetary Fund; Invesco Developing Markets Fund; Invesco International Small Company Fund; Irish Life Assurance Plc; Ishares Core Msci Emerging Markets ETF; Ishares Core Msci Total International Stock ETF; Ishares III Public Limited Company; Ishares IV Public Limited Company; Ishares Msci Brazil Small Cap ETF; Ishares Msci Emerging Markets Small Cap ETF; Ishares Public Limited Company; Itaú Funds - Latin America Equity Fund; Iva International Fund; Iva Overseas Master Fund, L.P.; Kaiser Foundation Hospitals; Kaiser Permanente Group Trust; Kapitalforeningen Investin Pro, Global Equities I; Kapitalforeningen Laegernes Pensionsinvestering, Lpi A GL II; Kapitalforeningen Unipension Invest, Globale Aktier II; Kinsale Navigator Fund; KP International Equity Fund; Legal & General Collective

Investment Trust; Legal & General Scientific Beta Emerging Markets Fund, LLC; Legal and General Assurance Pensions Mng Ltd; Macquarie Inv MA Ltd as Res e for W S em Markets Fund; Marathon Global Fund Public Limited Company; Marathon Ucits Common Contractual Fund - M Global C C Fund; Marathon Ucits Common Contractual Fund - Marathon; Marathon Ucits Funds; Marathon-London Global Fund, A Sub-Fund of the Marathon-Lond; Marathon-London Global Fund, A Sub-Fund of the Marathon-Lond; Market Vectors Brazil Small-Cap ETF; Microsoft Corporation Savings Plus 401(K) Plan; Mimosa Capital Sicav Azvalor International; National Westminster BK Plc as Depositary Omgemfasfomif(7; Nextam Partners; NN (L) Emerging Markets High Dividend; Norges Bank; Northern Trust Collective Eafe Small Cap Index Fund-Non Lend; Northern Trust Company Sub-Advised Collective Funds Trust; Ntgi-Qm Common Dac World Ex-Us Investable Mif - Lending; Oregon Public Employees Retirement System; Parametric Emerging Markets Fund; Parametric Tax-Managed Emerging Markets Fund; Parametric Tmemc Fund, LP; Public Employee Retirement System of Idaho; Public Employes Ret System of Mississippi; Rbc Emerging Markets Equity Fund (Usa); Rbc Emerging Markets Small Cap Equity Fund (Usa); Rothko Emerging Markets All Cap Equity Fund, L.P.; Royce Global Value Trust, Inc.; Royce International Premier Fund; Russell Investment Company Public Limited Company; Smallcap World Fund.Inc; Spdr S&P Emerging Markets ETF; Spdr S&P Emerging Markets Small Cap ETF; Ssga Spdr Etf Europe I Plc; Ssgatc I. F. F. T. E. R. P. S. S. M. E. M. S. C. I. S. L.F.; ST LT Dep Scottish Widows Trks Lat Amr Fun; ST ST Msci Emerging Mkt Small CI Non Lending Common Trt Fund; ST Str Msci Acwi EX Usa Imi Screened Non-Lending Comm TR FD; ST Str Russell Fund GL Ex-U.S. Index Non-Lend Common TR FD; Stanlib Funds Limited; State of New Jersey Common Pension Fund D; State ST B and T C Inv F F T e Retir Plans; Stichting Blue Sky Passive Equity Emerging Markets Global FU; Sunsuper Superannuation Fund; Teachers Retirement System of the State of Illinois; Tesco Plc Pension Scheme; the Bank of New York Mellon Emp Ben Collective Invest FD Pla; the Bunting Emerging Equity TE Limited Liability Company; the Bunting Family Emerging Equity Limited Liability Company; the California Endowment; the Genesis Emerg.Markets Invest. CO Sicav; the Genesis Group Trust for Employee Benefit Plans; the Highclere International Investors Emerging M Smid Fund; the Marathon-London Emerging Markets Investment Trust; the Marathon-London Global Investment Trust I; the Pension Reserves Investment Manag.Board; the Pensions Trust; the Regents of the University of California; the Seafarer Overseas Growth & Income Fund; the State Nebraska Judges State P S R Systems; the State Teachers Retirement System of Ohio; the Trustees of the University of Pennsylvania; the Trustees of the University of Pennsylvania Retiree Medic; Uaw Retiree Medical Benefits Trust; University of Pennsylvania Master Retirement Trust; Utah State Retirement Systems; Vanguard Emerging Markets Select Stock Fund; Vanguard Ftse All-World Ex-Us Small-Cap Index Fund Asovieif; Vanguard Global EQ Fund,A S.O.V.Horizon Funds; Vanguard Inv Funds Icvc-Vanguard Ftse Global All Cap Index F; Vanguard Total Wsi Fd, A Sov International Equity Index Fds; Variable Ins. Prod F Ii: Contrafund Portf; Verger Capital Fund LLC; Verizon Master Savings Trust; Vfm Global Small Companies Trust; Victorian Funds Man C A T F V e M T; Virginia Retirement System; Voya Emerging Markets High Dividend Equity Fund; Walter Scott & Partners Can Inst Tr- Walter Scott A P e M F; Walter Scott and Partners L G Trust; Washington State Investment Board; Wells Fargo BK D of T Establishing Inv F for e Benefit TR; Wells Fargo Factor Enhanced Emerging Markets Portfolio; Wisdomtree Emerging Markets Dividend Fund; Wisdomtree Emerging Markets

Smallcap Dividend Fund; Wisdomtree Global Smallcap Dividend Fund; Wsib Investments Public Equities Pooled Fund Trust; Xerox Corporation Retirement & Savings Plan; Fundacao Petrobras de Seguridade Social-Petros; and Neo Navitas Master FIA.

EXHIBIT I – CONSOLIDATED BYLAWS

BYLAWS OF

TOTVS S.A.

CHAPTER I

NAME, HEAD OFFICE, BUSINESS PURPOSE AND VALIDITY

Article 1 – TOTVS S.A. (“Company”) is a corporation ruled by these Bylaws and the applicable legislation.

Paragraph 1 – With the Company’s admission in Novo Mercado segment of B3 S.A. – Brasil, Bolsa, Balcão (respectively, “Novo Mercado” and “B3”), subject the Company, its shareholders, including controlling shareholders, managers and members of audit board, when installed, to the provisions of the Novo Mercado Rules (“Novo Mercado Rules”).

Paragraph 2 – The provisions of Novo Mercado Rules must prevail over statutory provisions, in case of damages to the rights of recipients of public offerings provided herein.

Article 2 – The Company has its head office and jurisdiction in the City of São Paulo, State of São Paulo, and the Board of Directors is responsible for establishing its exact location.

Sole Paragraph – The Company may open, change, and close bureaus, branches, warehouses, offices and any other establishments within Brazil by a resolution of the Board of Executive Officers or outside Brazil by a resolution of the Board of Directors.

Article 3 – The Company’s main corporate purpose is the creation and development of computerized systems (software). As its secondary activities to provide consultancy, advisory, exploitation of rights of use of own or third-party computer-based systems, including by means of software and hardware rent, providing data processing and training services, and the purchase and sale of computers and related accessories, peripherals and supplies, being authorized to import goods and services related to its main activity, concession of franchising, retail trade of clothes, related products and its accessories, research and technology innovation activities, IT technical support including installation, set up and maintenance of computer programs and databanks, business management consultancy services, data handling, hosting, portals, Internet provider and information services, outsourcing, in addition to holding interest in other companies as a partner, shareholder or quotaholder.

Article 4 – The Company’s validity period is indeterminate.

CHAPTER II

CAPITAL STOCK

Article 5 – The Company’s corporate capital fully subscribed and paid in is one billion, forty-one million, two hundred twenty-eight thousand, five hundred sixty-four reais and forty-three centavos (R\$1,041,228,564.43), divided into one hundred sixty-five million, six hundred thirty-seven thousand, seven hundred twenty-seven (165,637,727) registered, book-entry common shares, without par value.

Sole Paragraph – The Company may not issue preferred shares.

Article 6^o – The Company is authorized to increase its capital stock, up to the limit of one billion, three hundred million reais (R\$1,300,000,000.00).

Paragraph 1 – Within the limit authorized in this Article, the Company may, upon resolution of the Board of Directors, increase its capital stock, irrespective of any amendment to the Bylaws. The Board of Directors shall establish the issuance conditions, including the price and payment period.

Paragraph 2 – Within the limit of authorized capital, the Board of Directors may determine the issuance of subscription bonus.

Paragraph 3 – Within the limit of authorized capital and in accordance with the plans approved by the General Meeting, the Board of Directors may grant stock option or share subscription to its managers (“Managers”) and employees (“Employees”), as well as to the managers and employees of other companies directly or indirectly controlled by the Company, without granting preemptive rights to shareholders.

Paragraph 4 – The Company is barred from issuing founders’ shares.

Article 7 – The capital stock shall be solely represented by common shares and each common share entitles one vote with respect to the resolutions of the General Meeting.

Article 8 – All Company’s shares are registered and held in a deposit account with a financial institution authorized by the Brazilian Securities Commission (“CVM”), on behalf of their holders, without certificates.

Sole Paragraph – Any transfer and registration costs, as well as any service costs related to the registered shares, may be charged directly to the shareholder by the underwriting institution, as defined in the stock registration agreement.

Article 9 – The Board of Directors may decide on the exclusion or reduction of preemptive rights for the purpose of issuing shares, debentures convertible into shares and subscription bonuses, whose placement takes place by sale in stock exchanges or public subscription, or through swap of shares in a public tender offer, as provided by law, within the limits of authorized capital.

CHAPTER III

GENERAL MEETING

Article 10 – The General Meeting shall regularly meet once a year and, on an extraordinary basis, when called, pursuant to Law 6,404, of December 15, 1976 (“Brazilian Corporation Law”) or to these Bylaws.

Paragraph 1 – Any General Meeting’s resolutions shall be taken by the absolute majority of votes cast.

Paragraph 2 – The General Meeting resolving on deregistration of the Company as a publicly held company, or its delisting from the Novo Mercado shall be called with at least thirty (30) days in advance.

Paragraph 3 – Any resolution about any change to or exclusion of Article 47 of these Bylaws shall be taken by the absolute majority of votes, complying with the required minimum quorum of thirty percent (30%) of the voting capital for taking resolutions.

Paragraph 4 – The General Meeting may only resolve on the agenda matters included in the respective call notice, subject to the exceptions set forth in the Brazilian Corporation Law.

Paragraph 5 – At the General Meetings, the shareholders shall submit, with at least forty eight (48) hours in advance, in addition to the identity card and/or applicable corporate documents evidencing legal representation, as the case may be: **(i)** evidence issued by the underwriting institution, no longer than five (5) days before the date the General Meeting; **(ii)** the proxy with the grantor’s notarized signature; and/or **(iii)** with respect to the shareholders taking part in the fungible custody of book-entry shares, the statement including the respective ownership interest issued by the applicable body.

Paragraph 6 – The minutes of Meetings shall be: (i) drawn up in the General Meetings Minutes Book as a summary of the events occurred, including the summarized indication of the votes cast by the attending shareholders, the blank votes and abstentions; and (ii) published without signatures.

Article 11 – The General Meeting shall be installed and presided over by the Board of Directors’ Chairman or, in his absence or impediment, installed and presided over by another Director, Executive Officer or shareholder nominated in writing by the Board of Directors’ Chairman. The General Meeting’s Chairman shall nominate up to two (2) Secretaries.

Article 12 – In addition to the duties provided for by law, the General Meeting shall be responsible for:

- (i)** electing and dismissing any Board of Directors’ members;

- (ii) establishing the overall annual compensation of the members of the Board of Directors and of the Board of Executive Officers, as well of the Fiscal Council, if convened;
- (iii) changing the Bylaws;
- (iv) resolving on the dissolution, winding-up, merger, spin-off, amalgamation of the Company or of any company into the Company;
- (v) assigning share bonuses and deciding on possible splits or reverse splits of shares;
- (vi) approving plans for granting of stock options or share subscription to its Managers and Employees, as well to the managers and employees of other companies directly or indirectly controlled by the Company;
- (vii) resolving, in accordance with proposal submitted by management, on the allocation of profit for the year and dividend distribution;
- (viii) electing the liquidator, as well as the Audit Board which shall operate during the winding-up period;
- (ix) resolving on the delisting from the Novo Mercado of B3;
- (x) exempting from conducting public tender offer as a prerequisite for the Company to delist from the Novo Mercado;
- (xi) resolving on the Company's deregistration as a publicly-held company with the CVM, except for the provisions of Article 49 (ii) of these Bylaws; and
- (xii) resolving on any matters submitted by the Board of Directors.

Sole Paragraph – The resolution referred to in item (x) of this Article must be taken by majority vote of shareholders of outstanding shares attending the Meeting, and blank votes are not recorded. If held on first call, the Meeting must be attended by shareholders representing at least two thirds (2/3) of total outstanding shares; if on second call by any number of shareholders of outstanding shares.

CHAPTER IV

MANAGEMENT BODIES

Section I - General Provisions Common to the Management Bodies

Article 13 – The Company shall be managed by the Board of Directors and the Executive Officers.

Paragraph 1 – The investiture of the members of the Board of Directors and the Executive Officers is subject to their signing the instrument of investiture, which must include their agreement with the arbitration clause provided for in Article 53, exempt of any management guarantee.

Paragraph 2 – The Managers shall remain in their positions up to the investiture of their deputies, except if resolved differently by the General Meeting or by the Board of Directors, as the case may be.

Article 14 – The General Meeting shall establish the overall annual compensation for distribution among Managers, and the Board of Directors shall be responsible for individually allocating such amounts, after considering the Personnel and Compensation Committee report, pursuant to the provisions of Article 22 of these Bylaws.

Article 15 – Except as provided on these Bylaws, any of the management bodies or technical committees shall legally meet with the attendance of the majority of its respective members and resolutions shall be taken by absolute majority of votes of the attending members.

Sole Paragraph – For the meeting to be valid, the prior call for the meeting may only be waived if all members are present. Any management body members who state their vote by means of a proxy in favor of another member of the respective body, either by written vote in advance or written vote transmitted by fax, electronic mail or by any other means of communication shall be deemed as present.

Section II - Board of Directors

Article 16 – The Board of Directors shall be composed of at least five (5) and at the most nine (9) members, elected and dismissible by the General Meeting, with a unified term of office of two (2) years, with reelection allowed.

Paragraph 1 – At least two (2) or twenty percent (20%), whichever higher, of the Board of Directors' members must be independent members, as defined in the Novo Mercado Rules, and the characterization of persons appointed to the Board of Directors as independent members must be resolved at the General Assembly that elects them. In the event the calculation of this percentage results in a fraction number, the Company shall round to a full number.

Paragraph 2 – At the Annual General Meeting the purpose of which is to resolve on the election of the Board of Directors, having in mind the expiration of the Board's term of office, the shareholders shall determine the effective number of members of the Board of Directors for the next term.

Paragraph 3 – The Board of Directors' members shall have flawless reputation, and may not be elected, except for General Meeting waive, any individual who **(i)** holds positions in companies which may be deemed as Company's competitors; or **(ii)** has or represents any interests conflicting with the Company. Members of the Board of Directors shall not exercise their voting right in case the aforementioned impediment factors occur.

Paragraph 4 – The Board of Directors' members may not have access to any information or take part in any Board of Directors' meetings related to matters they have or represent any interests which conflict with those of the Company.

Paragraph 5 – For better performance of its duties, the Board of Directors may set up any committees or workgroups with defined purposes, always seeking to advise the Board of Directors, and these committees shall be composed of individuals nominated among management and/or other persons directly or indirectly related to the Company.

Article 17 – The Board of Directors shall have one (1) Chairman and one (1) Vice-Chairman, who shall be elected by absolute majority of votes of the attendees, at the first Board of Directors’ meeting held immediately after the investiture of such members, or in case of a resignation or vacancy in these positions. The Vice-Chairman shall exercise the Chairman’s duties in his temporary absences and impediments, irrespective of any formality. In the event of any temporary absence or impediment of the Chairman and the Vice-Chairman, the Chairman’s duties shall be exercised by another Board of Directors’ member nominated by the Chairman.

Paragraph 1 – The positions of Chairman of the Board of Directors and Chief Executive Officer or main executive officer of the Company may not be accumulated by the same person.

Paragraph 2 - The Board of Directors’ Chairman shall call and chair the Board of Directors meetings and the General Meetings, except for, with respect to the General Meetings, the cases in which another member of the Board of Directors, Executive Officer or shareholder is appointed by the Chairman in writing to preside over the meeting.

Paragraph 3 – In the Board of Directors’ resolutions, the Chairman shall be entitled to the casting vote in case of a draw.

Article 18 – The Board of Directors shall regularly meet six (6) times per year, and on an extraordinary basis, whenever called by the Chairman or by the majority of its members. The Board of Directors meetings may be held via conference call, videoconference or by any other means of communication that allows for the identification of the member and the simultaneous communication with all other persons attending the meeting.

Paragraph 1 – Calls for the meetings shall be made by means of a written notice to be delivered to each member of the Board of Directors at least five (5) days in advance, including the agenda, place, date and time of the meeting.

Paragraph 2 – All Board of Directors’ resolutions shall be stated in the minutes drawn up in the respective Minutes Book of the Board of Directors’ Meetings and executed by the attending Directors.

Article 19 – In addition to other duties assigned to it by law or these Bylaws, the Board of Directors shall be responsible for:

- (i) establishing the overall guidance for the Company’s business;
- (ii) electing and dismissing the Company’s executive officers and establishing their duties;

- (iii)** calling the General Meeting, when deemed applicable, or pursuant to Article 132 of the Brazilian Corporation Law;
- (iv)** inspecting the Executive Officers' management, reviewing, at any time, the Company's books and papers and requesting information on any agreements entered into or to be entered into and any other acts;
- (v)** choosing and dismissing the Company's independent auditors;
- (vi)** providing a prior opinion on the Management Report and the accounts of the Executive Officers and resolving on their submission to the General Meeting;
- (vii)** approving the annual and multiannual budgets of the Company, its controlled and affiliated companies, the strategic plans, the expansion projects and investment programs of the Company, as well as following its performance;
- (viii)** resolving on the opening, closing and modification of branches of the Company abroad;
- (ix)** authorizing the issuance of Company's shares and subscription bonuses, within the Company's authorized capital limit;
- (x)** resolving on the Company's purchase of its own shares to be held in treasury and/or for later cancellation or sale;
- (xi)** resolving on the granting of stock options or share subscription to its Managers and Employees, as well as to the managers and employees of other companies directly or indirectly controlled by the Company, without preemptive rights for any shareholders pursuant to the plans approved at General Meetings, after taking into account the Personnel and Compensation Committee Report;
- (xii)** submitting to the Annual General Meeting a proposal for allocation of the fiscal years' net profit;
- (xiii)** distributing among the Executive Officers, individually, the portion of the overall annual compensation of the Managers established by the General Meeting, after considering the Personnel and Compensation Committee Report;
- (xiv)** resolving on any deals or agreements between (a) the Company and its controlled companies (except for wholly-owned controlled companies) and (b) between the Company or its controlled companies (whether wholly owned or not) and any of their Managers and/or shareholders (including companies directly or indirectly controlled by said managers and/or shareholders, or by any third parties related to them);
- (xv)** resolving, as delegated by the General Meeting, when debentures are issued by the Company, on the period and conditions for maturity, amortization or redemption, on the period and conditions for payment of interest, profit sharing and repayment premiums, if any, and on the subscription and placement methods, as well as the types of debentures;

(xvi) resolving on the subscription, purchase, sale or encumbrance by the Company of any shares or securities issued by any of the Company's controlled or affiliated companies, except in connection with operations involving exclusively the Company and wholly owned entities;

(xvii) resolving on the Company's participation in other entities, as well as any involvement in other endeavors, including as a member of a consortium or a party to a silent partnership.

(xviii) deciding on the payment or credit of interest on equity to shareholders, according to applicable laws;

(xix) resolving on the distribution of interim dividends, including at the expense of accumulated profits or profit reserves from the latest annual or interim balance sheet;

(xx) resolving on the assignment or transfer to a third party, by any means, of intellectual or industrial rights of the Company and/or of a company directly or indirectly controlled by it, except for a remunerated licensing made by the Company in the ordinary course of business;

(xxi) authorizing the following acts in amounts exceeding five (5) percent of the subscribed corporate capital, such amount to be taken in consideration of isolated transactions or sets of related transactions: (a) purchase by the Company, by any means, of assets in other companies, including its controlled or affiliated companies; (b) divestiture of assets from permanent assets, (c) provision of warranties of any nature by the Company; (d) granting of loans in favor of any third parties; (e) investing in expansion and improvement projects; (f) entering into long- or short-term debt operations; and (g) entering into any long-term agreements (with a duration in excess of one year);

(xxii) manifesting favorable or otherwise regarding any public offer of shares that has as object the shares of the Company, through prior informed opinion, issued within 15 days of publication of the notice of public offering acquisition of shares, which should address at least (a) the convenience and opportunity of the public offer for acquisition of shares and the interest of the Company and of all shareholders, including in relation to the price and potential impacts on the liquidity of shares (b) strategic plans disclosed by the issuer in relation to the Company, (c) alternatives to the acceptance of supply public acquisition of shares available in the market; (d) the economic value of the Company; and (e) other items which the Board deems appropriate, as well as information required by applicable rules established by the CVM; and

(xxiii) expressing opinion on the terms and conditions of corporate reorganizations, capital increases and other transactions that originate a change in control, and documenting if they assure fair and equity treatment to the company's shareholders

Paragraph 1- The Company shall not grant loans or guarantees to its Board of Directors' members or Executive Officers, except proportionally to the extent that these loans or guarantees are available to the Employees or clients of the Company.

Paragraph 2 – The Company representative’s vote in favor of any resolution regarding the topics listed in Article 19 at General Meetings and other corporate bodies of the Company’s directly or indirectly controlled companies shall require the approval of the Company’s Board of Directors.

Section III – Advisory bodies to the Board

Article 20 – The Company shall have the following advisory committees to the Board of Directors, as provided in the charter approved by the Board of Directors:

- (i) Audit Committee;
- (ii) Personnel and Compensation Committee; and
- (iii) Governance and Nomination Committee.

Paragraph 1 – The advisory committees will have advisory functions and not deliberative functions, and must study the matters within their powers and draft the proposals for the Board of Directors.

Paragraph 2 – The term of office of advisory committee members will coincide with the term of office of the Directors and they may be reelected for four (4) more consecutive terms.

Paragraph 3 – The advisory committees will meet in the frequency defined by the annual calendar approved by the Board of Directors, ordinarily up to four (4) times a year, or extraordinarily when requested by the coordinator or the majority of their members.

Paragraph 4 – Each advisory committee will have a coordinator and its tasks and rules of functioning will be defined in the charter approved by the Board of Directors.

Paragraph 5 – The advisory committees will report to the Board of Directors and will have autonomy in relation to the Board of Executive Officers.

Paragraph 6 – Members of the committees are subject to the same duties as Directors, envisaged in the Bylaws, the disclosure and trading policies, the Code of Ethics and Conduct, and the duties and responsibilities of managers as per articles 153 to 159 of Brazilian Corporations Law.

Article 21 – The Personnel and Compensation Committee must consist of at least three (3) members, all Directors, and at least two (2) of whom must be independent.

Article 22 – The Personnel and Compensation Committee shall exercise consulting functions and shall assist the Board of Directors to establish the terms of the compensation and other benefits and payments to be received on any account from the Company by Executive Officers and Board Members. The following is incumbent upon the Personnel and Compensation Committee, among other responsibilities established in its charter:

(i) submitting to the Board of Directors a proposal for distribution of the overall annual compensation to the Executive Officers and Board Members, based on the information technology market standards and following up on the payment of compensation and, if the compensation is not in line with the information technology market standards, informing said fact to the Board of Directors;

(ii) expressing an opinion on the grant of stock options or share subscriptions to the Company's Managers and Employees; and

(iii) expressing an opinion on the profit sharing of the Company's Executive Officers and Employees.

Article 23 – The Audit Committee must consist of at least three (3) members, the majority being Directors, all of them independent, and at least one (1) of whom must have recognized experience in corporate accounting matters.

Paragraph 1 – In addition to other duties assigned to it by its charter, the Audit Committee has the following responsibilities:

(i) provide opinion on contracting or removing independent audit services;

(ii) evaluate the quarterly information, interim financial statements and annual financial statements;

(iii) monitor the activities of the Company's internal audit and internal controls department;

(iv) evaluate and monitor the Company's risk exposures;

(v) evaluate, monitor and recommend to the management corrections or improvements to the internal policies of the Company, including the policy on related-party transactions;

(vi) analyze if the Company has the means to receive and deal with information on noncompliance with legal and regulatory provisions applicable to the Company, as well as internal regulations and codes, and also laying down specific procedures to protect the provider and the confidentiality of information; and

(vii) give opinions on proposals by management bodies to be submitted to the Shareholders Meeting, related to change in capital, issue of debentures or subscription warrants, investment plans and/or capital budgets, distribution of dividends, transformation, merger, consolidation or spin-off, tax issues and structured financial operations.

Paragraph 2 – The coordinator of the Audit Committee shall attend the shareholders meeting of the Company and will remain at the disposal of shareholders to provide clarifications and information.

Article 24 – The Governance and Nomination Committee will consist of at least three (3) members, all Directors, with at least two (2) Independent Directors.

Article 25 – In addition to other duties assigned to it by its charter, the Governance and Nomination Committee shall have the following responsibilities:

- (i) recommend and monitor the adoption of corporate governance good practices, as well as the effectiveness of processes, proposing updates and improvements when necessary;
- (ii) establish the channels and processes for interaction between long-term shareholders of the Company and the Board of Directors, especially on the issues of strategy, governance, compensation, succession and membership of the Board of Directors;
- (iii) select and recommend to the Board of Directors people who, meeting the legal requirements and the needs of the Company, and after hearing the relevant stakeholders, could be candidates to make up the slates to be approved by the Board of Directors – or individually – for submission for election by the Shareholders Meeting;
- (iv) select and recommend to the Board of Directors people who, meeting the legal requirements and the needs of the Company, could be nominated to the Board of Directors’ Advisory Committees;
- (v) select and recommend to the Board of Directors people for the position of Director to fill up vacancies;
- (vi) select and recommend to the Board of Directors people for the Fiscal Council of the Company, if constituted;
- (vii) support the Chairman of the Board of Directors in organizing a formal and periodical performance appraisal process of the Board of Directors and the Directors, to be conducted annually.
- (viii) ensure the existence, effectiveness and implementation of an executive succession plan and monitor its execution with the Personnel and Compensation Committee;
- (ix) express opinion on the disclosure of the Company’s governance practices, including in the Reference Form and Management Proposal for the Shareholders Meeting;
- (x) express opinion on the membership of persons related to the Company on the Boards of Directors, Advisory Committees to the Board of Directors and Audit Boards of other companies, whether publicly or privately held companies.
- (xi) support the Board of Directors in evaluating the candidates for Directors regarding their credentials as independent members.

Section IV- Board of Executive Officers

Article 26 – The Board of Executive Officers shall be composed of a minimum of five (5) and a maximum of twenty (20) members, including the following positions, whose duties shall be determined by the Board of Directors: (i) Chief Executive Officer, (ii)

President; (iii) up to eight (8) Vice-Presidents, and (iv) up to ten (10) Executive Officers. The Officers may accumulate positions and shall serve for a unified term of two (2) annual terms, where an annual term shall be deemed to be the period between two (2) Annual General Meetings, reelection being permitted.

Article 27 – In the event of the absence or impediment of any officer, the Board of Executive Officers shall name a pro-tem replacement from among its members, with the condition that the Chief Executive Officer and the President shall stand in for one another in the performance of the respective duties, including where such a position is not filled or is left vacant mid-term.

Article 28 – In the event of the vacancy of any position, the Board of Directors may designate a replacement Officer who shall serve for the duration of the remained of the replaced Officer’s term.

Article 29 – Vice-Presidents and Executive Officers shall collaborate with the Chief Executive Officer and the President in the management of business and the conduction of corporate services.

Article 30 - The Board of Executive Officer holds all the powers to carry out the acts required for the Company’s normal operation and for fulfilling its business purpose, however special they may be, including waiver of rights, negotiation and agreement, subject to any applicable legal or statutory provisions. It shall be responsible for managing the Company’s business, particularly:

(i) complying with and causing the compliance with these Bylaws and the resolutions of the Board of Directors and the Annual Meeting;

(ii) annually submitting, to the appreciation of the Board of Directors, the Management Report and the accounts of the Board of Executive Officers, supported by the independent auditors’ report, as well as the proposal for allocation of income determined in the prior year;

(iii) proposing to the Board of Directors the annual and multiannual budgets of the Company, its controlled and affiliated companies, as well as the Company’s strategic plans, expansion projects and investment projects;

(iv) deciding on any matter that is not of exclusive responsibility of the General Meeting or the Board of Directors; and

(v) resolve on opening, changing and closing branches, warehouses, offices and any other establishments in Brazil.

Article 31 – The Company shall be legally bound whenever represented by two (2) members of the Board of Executive Officers, or one (1) member of the Board of Executive Officers and one (1) proxy, or by two (2) proxies within the boundaries of the respective powers.

Paragraph 1 – The Company may be represented by a single Executive Officer or a single proxy in the following cases:

(i) before any direct or indirect public administration body for the purposes of acts not involving the acceptance or waiver of rights and obligations; (ii) pursuant to “ad judicia” powers-of-attorney; and (iii) at general shareholders’ meetings, or meetings of shareholders or quota-holders in companies or investment funds where the Company is a participant; and (iv) elsewhere as specified by the Board of Directors.

Paragraph 2 – All powers-of-attorney shall be granted jointly by two (2) Executive Officers.

Paragraph 3 – The Company shall be represented severally by any of the Executive Officers or a duly appointed proxy for the purposes of service of process or legal notices and for personal testimony.

CHAPTER V FISCAL COUNCIL

Article 32 - The Fiscal Council shall operate on a non-permanent basis, with the powers and duties assigned to it by law and shall only be convened upon General Meeting resolution, or at shareholders’ request, in the cases provided for by law.

Article 33 – When instated, the Fiscal Council shall be composed of three (3) sitting members and an equal number of deputies, shareholders or not, elected and removable from office at any time by the General Meeting.

Paragraph 1 - The Fiscal Council members shall have the unified term of office of one (1) year, with reelection allowed.

Paragraph 2 - The Fiscal Council members, at its first meeting, shall elect its Chairman.

Paragraph 3 - The office of the Members is conditioned on the signing of the instrument of investiture, which must include the agreement to arbitration clause referred to in Article 53.

Paragraph 4 - The Fiscal Council members shall be replaced, upon any absences and impediments, by their respective deputies.

Paragraph 5 - In the event a Fiscal Council member position is vacant, the respective deputy shall take office; in case there is no deputy, the General Meeting shall be called to arrange for the election of a new member for the vacant position.

Paragraph 6 – Any person who has a relationship with any company deemed to be a competitor of the Company (“Competitor”) may not be elected for the position of member of the Company’s Fiscal Council, and it is prohibited the election of any person who, among other things, is: **(i)** an employee, shareholder or member of a management, technical or fiscal body of the Competitor or of the Competitor’s Controlling Party or Controlled Companies (as set forth in Article 42, Paragraph 1 of these Bylaws); **(ii)** a

spouse or relative up to second degree of consanguinity of a member of a management, technical or fiscal body of the Competitor, or of the Competitor's Controlling Party or Controlled Companies.

Article 34- When convened, the Fiscal Council shall meet whenever required, as provided for by law, and analyze, at least on a quarterly basis, the Company's financial statements.

Paragraph 1 - Irrespective of any formalities, any meeting attended by all Fiscal Council members shall be deemed as regularly called.

Paragraph 2 - The Fiscal Council states its position by absolute majority of votes, with the attendance of most of its members.

Paragraph 3 - All Fiscal Council's resolutions shall be stated in the minutes drawn up in the respective Fiscal Council Minutes and Opinions book and executed by the attending Board members.

Article 35 - The Fiscal Council members' compensation shall be defined by the Annual General Meeting electing such members, subject to Paragraph 3 of Article 162 of the Brazilian Corporation Law.

CHAPTER VI

PROFIT DISTRIBUTION

Article 36 - The fiscal year begins on January 1 and ends on December 31 of each year.

Sole Paragraph - At the end of each fiscal year, the Board of Executive Officers shall cause the preparation of the Company's financial statements, in conformity with any applicable legal provisions.

Article 37 - Together with the financial statements for the year, the Board of Directors shall submit to the Annual General Meeting a proposal on the appropriation of net income for the year, calculated after the deduction of any profit-sharing referred to in Article 190 of Brazilian Corporation Law, in accordance with the provision in Paragraph 1 of this Article, adjusted for purposes of calculation of dividends pursuant to Article 202 of the same law, subject to the following deduction order:

(i) five percent (5%), at least, for the legal reserve, until it reaches twenty percent (20%) of the capital stock. In the year in which the legal reserve balance plus the capital reserve amounts exceeds thirty percent (30%) of the capital stock, the appropriation of part of net income to the year for the legal reserve shall not be mandatory; and

(ii) the portion required for payment of a mandatory dividend may not be lower, in each year, than twenty five percent (25%) of the annual adjusted net income, as set forth in Article 202 of the Brazilian Corporation Law.

Paragraph 1 - The General Meeting may assign to the members of the Board of Directors and of the Board of Executive Officers a profit-sharing portion not higher than ten

percent (10%) of the outstanding balance of the income for the year, after deduction of the accumulated losses and the provision for income and social contribution taxes, pursuant to the legal format and limits.

Paragraph 2 - The remaining profit balance, if any, shall be appropriated as the General Meeting so determines, and any withholding of income for the year by the Company shall mandatorily have attached to it a budget proposal previously approved by the Board of Directors. In case the profits reserve balance exceeds the capital stock, the General Meeting shall resolve on the use of such excess for payment or increase of the capital stock or also for distribution of dividends to shareholders.

Article 38 – As proposed by the Board of Executive Officers, approved by the Board of Directors, ad referendum by the General Meeting, the Company may pay or credit interest to shareholders, as interest on equity of the latter, subject to applicable legislation. Any possible amounts thus disbursed may be attributed to the mandatory dividend amount set forth in these Bylaws.

Paragraph 1 - In the event interest is credited to shareholders in the fiscal year and appropriated to the mandatory dividend amount, shareholders shall be paid with the dividends they are entitled to, and shall also be entitled to the payment of any possible remaining balance. In the event dividends are lower than the amount credited to shareholders, the Company may not charge the remaining balance from shareholders.

Paragraph 2 - The effective payment of interest on equity, after being credited during the fiscal year, shall be made upon Board of Directors' resolution, in the fiscal year or in the following year, but never after the dividend payment dates.

Article 39 - The Company may prepare six-month balance sheets or balance sheets in shorter periods, and state, upon the Board of Directors resolution:

- (i) the payment of dividends or interest on equity, to the account of income earned in the six month balance sheet, attributed to the mandatory dividend amount, if any;
- (ii) the dividend distribution in periods shorter than six (6) months, or interest on equity, attributed to the mandatory dividend amount, if any, provided that the total dividends paid in each half of the fiscal year does not exceed the capital reserve amounts; and
- (iii) the payment of interim dividends or interest on equity, to the account of retained earnings or profits reserve in the latest balance sheet for the year or for the six-month period, attributed to the mandatory dividend amount, if any.

Article 40 - The General Meeting may resolve on capitalization of profits or capital reserves, including those stated in interim balance sheets, subject to applicable legislation.

Article 41 - Any dividends not received or claimed shall expire within three (3) years, counted from the date in which they were made available to the shareholders, and shall inure to the benefit of Company.

CHAPTER VII

DISPOSAL OF OWNERSHIP CONTROL, DEREGISTERING AS A PUBLICLY-HELD COMPANY AND DELISTING FROM THE NOVO MERCADO

Article 42 - The direct or indirect Disposal of the Company's ownership control (as defined in Paragraph 1 of this Article), either through a single or successive operations, shall be contracted under either a suspensive or resolutive condition that the Ownership Control buyer be obliged to carry out a Public Tender Offer ("PTO") for acquisition of shares owned by other shareholders, subject to any conditions and terms set forth in legislation in force and in the regulation in force and the Novo Mercado Regulation, so that such shareholders are entitled to a treatment equal to that of the Shareholder Controlling Seller (as defined in Paragraph 1 of this article).

Paragraph 1 - For purposes of these Bylaws, the expressions below started in capital letters shall have the following meanings: "**Controlling Shareholder**" means shareholder (s) or Group of Shareholders that owns the Company's Control. "**Controlling Shareholder Seller**" means the controlling shareholder when it promotes the sale of the Company's control. "**Control Shares**" means the block of shares that ensures, directly or indirectly, its holder(s) the individual and / or combined control of the Company. "**Acquirer**" means one for whom the Controlling Shareholder transfers securities that may result in a Transfer of Control of the Company. "**Transfer of Control of the Company**" means the transfer to third persons, against payment, of the Control Shares, securities convertible into shares with voting rights, assignment of subscription rights to shares or other securities or rights to securities convertible into shares issued by the Company that may result in acquisition of Control by the Buyer. "**Group of Shareholders**" means a group of people who are (i) pegged by agreements or contracts of any nature, either directly or by means of Controlled Companies, Controlling Parties or Under Common Control; or (ii) among which there is controlling relationship; or (iii) under common control. "**Control**" means the power effectively used by shareholders to manage the activities and guide the organs of the Company, directly or indirectly, in fact or law, regardless of ownership interest held. "**Economic Value**" means the value of the company and its shares to be determined by a specialized company, by using recognized methodology or based on other criteria that may be defined by the CVM.

Paragraph 2 – In the event the acquisition of control also subjects the Control Buyer to the obligation of carrying out a Public Tender Offer required pursuant to Article 43 of these Bylaws, the purchase price shall be the highest among those determined in conformity with this Article 42 and Article 43, Paragraph 2 of these Bylaws.

Article 43 – Any person or shareholder who purchases or becomes the holder of shares issued by the Company, in a number equal to or higher than twenty percent (20%) of the

total shares issued by the Company shall, within no longer than sixty (60) days counted from the acquisition date or the event giving rise to the ownership of shares in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company, carry out or request the registration of, as the case may be, a Public Tender Offer of all shares issued by the Company, subject to the applicable CVM regulation, the Novo Mercado Regulation, other B3 regulations and the provisions of this Article.

Paragraph 1 - The Public Tender Offer shall be: **(i)** equally addressed to all Company's shareholders; **(ii)** carried out in an auction to be held at B3; **(iii)** placed by the price determined in conformity with the provisions of Paragraph 2 of this Article; and **(iv)** paid on demand, in local legal tender, upon the acquisition of shares issued by the Company in the Tender Offer.

Paragraph 2 - The purchase price in the Public Tender Offer for each share issued by the Company may not be lower than the highest amount between **(i)** one hundred twenty five percent (125%) of the highest unit quotation reached for the shares issued by the Company during the twelve (12) month period prior to the Public Tender Offer in any stock exchange in which the Company's shares are traded; **(ii)** one hundred twenty five percent (125%) of the highest unit price paid by the Buying Shareholder, at any time, for a share or a share lot issued by the Company; **(iii)** the Economic Value determined in the appraisal report.

Paragraph 3 - Any shareholders who are holders of shares representing at least ten percent (10%) of capital stock may request a new appraisal report to be prepared in the same format as that referred to in item **(iii)** of Paragraph 2 of this Article, but by a different institution. **(I)** In case the new appraisal report determines a price per share lower than the one calculated as set forth in Paragraph 2 of this Article, the higher price shall prevail and the shareholders who requested the new appraisal report shall be fully liable for its costs proportionally to their interest in the Company's capital stock. **(II)** In case the appraisal report as set forth in this Paragraph determines a price per share higher than that obtained as set forth in Paragraph 2 of this Article, the Buyer may: **(1)** waiver the Public Tender Offer and agree to dispose the excess interest within three months counted from the acquisition, and any costs on the preparation of new appraisal report must be fully paid by the shareholders who requested its preparation, proportionally to their interest in the Company's capital stock; **(2)** carry out the Public Tender Offer for the price per share stated in the new appraisal report, and any costs on the preparation of new appraisal report must be fully paid by the Company.

Paragraph 4 - In the event the Public Tender Offer price is revised, as set forth in Paragraph 3 of this Article, and provided that there is no waiver from the Buyer, the auction shall start at the new price, and a material fact shall be published to report the price revision and the maintenance or waiver of the Public Tender Offer.

Paragraph 5 - Upon revision of the Public Tender Offer price, the following procedure shall be adopted:

(i) the request for a new appraisal report on the price per Company's share, based on the Economic Value, duly documented and supported by evidence showing the flaw or inaccuracy of the calculation methodology employed or the evaluation criterion adopted, shall be carried out within fifteen (15) days counted from the disclosure of the Public Tender Offer amount, and shall interrupt the registration process or, in case such registration is already granted, it shall interrupt the Public Tender Offer notice period, postponing the respective auction, and the Buying Shareholder shall arrange for the publication of a material fact reporting such postponement and the date stated for the holding of the Board of Directors' meeting which shall choose a specialized company to prepare the new appraisal report;

(ii) in case the Board of Directors decides that a new appraisal of the Company shall not be prepared, the registration process or the Public Tender Offer itself shall be resumed for the remaining period, as the case may be, and, for the latter, the Buying Shareholder shall arrange for the publication of a material fact with the new auction date;

(iii) in case the appraisal report determines an amount equal to or lower than the Public Tender Offer value obtained as set forth in Paragraph 2 of this Article, the registration process or the Public Tender Offer itself shall be resumed for the remaining period, as the case may be, and, for the latter, the Buying Shareholder shall arrange for the publication of a material fact with the new auction date;

(iv) in case the appraisal report determines an amount higher than the Public Tender Offer value obtained as set forth in Paragraph 2 of this Article, the Buying Shareholder shall publish, within five (5) days counted from the submission of the appraisal report, a material fact stating its position to maintain or waive the Public Tender Offer, by clarifying, for the first case, that it will resume the registration process, or of the Public Tender Offer itself for the remaining period, as the case may be, and, for the latter, the Buyer shall arrange for the publication of a material fact with the new auction date and the new price;

(v) the fifteen (15) day period referred to in item (i) of this Paragraph 5 shall only start after the original appraisal report is delivered to CVM, or after it is made available as set forth in item (viii) of this Paragraph 5, if it comes first, and the Buying Shareholder shall publish a material fact reporting such delivery;

(vi) the Board of Directors' meeting resolving on a new appraisal shall nominate the institution in charge for the preparation of such appraisal report, approve the related fees, establish a period no longer than thirty (30) days for conclusion of services, and determine that the appraisal report be forwarded to the Company, for the attention of its Investor Relations Officer, to the stock exchange in which the auction is to be held, and to CVM, in addition to being sent to CVM electronic mail in the specific format determined by CVM;

(vii) the institution in charge for preparing the appraisal report shall also, on the same date it forwards the appraisal report to CVM, inform the intermediate institution operating in the Public Tender Offer, as set forth in Article 4, IV of CVM Instruction No. 361, of March 5, 2002 ("CVM Instruction 361"), the outcome of such appraisal, so that

such institution and the Buying Shareholder adopt any applicable measures among those set forth in items (iii) and (iv) of this Paragraph 5;

(viii) the appraisal report referred to in this Paragraph 5 shall be made available in the same locations, and in the same format, of the appraisal report referred to in Article 8 of CVM Instruction 361; and,

(ix) the minutes of the Board of Directors' meeting referred to in this Paragraph 5 shall necessarily state the names of the shareholders who requested the new appraisal, for effects of the possible application of the provision in Paragraph 3, (I) and (II.2) of this Article 43.

Paragraph 6 - The Public Tender Offer mentioned in the main provision of this Article shall not exclude the possibility of another shareholder of the Company or, if applicable, the Company itself, to prepare a concurrent Public Tender Offer, pursuant to applicable regulation.

Paragraph 7 - The Buyer shall be obliged to comply with any possible CVM requests or requirements, related to the Public Tender Offer, made based on and within the deadlines set forth in applicable regulation.

Paragraph 8 - In the event the Buyer fails to comply with any obligations imposed by this Article, including those related to the compliance with deadlines for **(i)** carrying out or requesting registration of the Public Tender Offer; or **(ii)** complying with any possible CVM requests or requirements, or with any obligations provided for by Article 52 of these Bylaws, the Company's Board of Directors shall call an Extraordinary General Meeting, in which the Buyer may not vote, in order to resolve on the suspension of the exercise of the rights of the Buyer who failed to comply with any obligation imposed by this Article, provided for by Article 120 of Brazilian Corporation Law, without prejudice to the Buyer's liability for any losses and damages caused to other shareholders arising from such noncompliance with obligations imposed by this Article.

Paragraph 9 - Any Shareholder or person acquiring or becoming the holder of other rights, including usufruct or trust, on the shares issued by the Company in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company, shall be equally obliged to carry out or request the registration, as the case may be, of a Public Tender Offer, within no longer than sixty (60) days counted from the date of such purchase or the event which gave rise to the holding of such rights on shares in an amount equal to or higher than twenty percent (20%) of the total shares issued by the Company, pursuant to the provisions in this Article.

Paragraph 10 - The obligations stated in Article 254-A of the Brazilian Corporation Law and Article 42 of these Bylaws do not release the Buying Shareholder from complying with any obligations stated in this Article, except for the provisions in Articles 50 and 51 of these Bylaws.

Paragraph 11 - The provision in this Article shall not apply in the event of a person becoming the holder of shares issued by the Company in a number higher than twenty percent (20%) of the total shares issued, arising from: **(i)** any legal succession, under the condition that the shareholder disposes of any excess shares within sixty (60) days counted from the material event; **(ii)** any amalgamation of another company by the Company; **(iii)** the merger of shares of another company by the Company; or **(iv)** the subscription of Company's shares, carried out at a single primary issue, which has been approved in a Company's Annual General Meeting called by its Board of Directors, and whose capital increase proposal has determined the issue price of shares based on the Economic Value obtained from a valuation report on the Company conducted by a specialized company with proven experience in the evaluation of publicly-held companies.

Paragraph 12 - For calculation of the percentage of twenty percent (20%) of the total shares issued by the Company described in the main provision of this Article, any involuntary additions to ownership interest arising from cancellation of treasury shares or decrease in the Company's capital stock with the cancellation of shares shall not be computed.

Paragraph 13 - In the event the CVM regulation applicable to Public Tender Offer set forth in this Article determines the adoption of a calculation criterion to define the purchase price of each Company's share in the Public Tender Offer which gives rise to a purchase price higher than that defined in Paragraph 2 of this Article, then the purchase price calculated pursuant to CVM regulation shall prevail for holding the Public Tender Offer set forth in this Article.

Paragraph 14 - Any change which restricts the shareholders' right to carry out the Public Tender Offer set forth in this Article, or the exclusion of this Article, shall oblige the shareholders who voted for such change or exclusion at a General Meeting to carry out the Public Tender Offer set forth in this Article, in conformity with the provisions in Paragraph 3 of Article 10 of these Bylaws.

Article 44 – The Public Tender Offer, to be carried out by the Controlling Shareholder, or the Company for the Company's deregistration as a publicly held company must be conducted at a fair price, as per the applicable law and regulations.

Article 45 – Voluntary delisting from the Novo Mercado may occur (i) regardless of any public tender offer, if the exemption is approved by the shareholders meeting of the Company, pursuant to article 12, x, of these Bylaws, or (ii) if no exemption is given, if preceded by a public tender offer that follows the procedures established in CVM regulations for public tender offers for cancellation of registration as publicly held company and the following requirements:

(i) the price offered must be fair and so it is possible to request fresh valuation by the Company, as established in article 4 - A of Law 6,404/76; and

(ii) shareholders holding more than one-third (1/3) of outstanding shares shall accept the public tender offer or expressly agree with the delisting from the segment without selling their shares.

Paragraph 1 – For the purposes of this Article 45, outstanding shares refer only to the shares whose holders expressly agree with the delisting from the Novo Mercado or meet the requirements to participate in the public tender offer, as per CVM regulations applicable to public tender offers of companies for cancellation of registration as publicly held companies.

Paragraph 2 – If the abovementioned quorum is reached: (i) shareholders who accepted the public tender offer cannot be submitted to apportionment in the sale of their ownership interest, in accordance with the procedures for the waiver of the limits established in CVM regulations applicable to public tender offers, and (ii) the offeror is obliged to acquire the remaining outstanding shares within one (1) month from the date of the auction, at the final price of the public tender offer, adjusted for inflation until the effective payment date, as per the notice of auction and the regulations in force, which shall occur within fifteen (15) days from the date of exercise of the right by shareholders.

Article 46 – In the event of absence of a Controlling Shareholder when there is a decision to Company's delisting from the Novo Mercado for its securities registration for trading outside the Novo Mercado or for corporate restructuring in which the Company's shares resulting from such restructuring are not admitted for trading in the Novo Mercado, within 120 (one hundred twenty days) from the date of the Extraordinary General Meeting which has approved the transaction, the Company's delisting shall be conditioned to the carrying out of a Public Tender Offer as set forth in Article 4245 of these Bylaws.

Paragraph 1 – This General Meeting shall define the responsible for the Public Tender Offer. The responsible must be an attendee at the General Meeting and shall expressly assume the obligation to conduct the Public Tender Offer.

Paragraph 2 – In the absence of a responsible for the Public Tender Offer, in the event of a corporate restructuring in which the securities of the resulting Company are not admitted for trading in the Novo Mercado, the Public Tender Offer shall be carried out by the shareholders who have voted in favor of the respective resolution at the General Meeting.

Paragraph 3 – The public tender offer for the purposes envisaged in this Article will follow the procedures for holding a public tender offer for cancellation of registration as a publicly held company.

Article 47 – If there is no Controlling Shareholder and B3 determines that the securities issued by the Company have their trading interrupted in the Novo Mercado in view of noncompliance with the obligations stated in the Novo Mercado Regulation, the Board of Directors' Chairman shall call an Extraordinary General Meeting to replace the whole Board of Directors within two (2) days from such determination, and this period shall

only compute the days in which the newspapers usually used by the Company are published.

Paragraph 1 - In the event the Board of Directors' Chairman fails to call the Extraordinary General Meeting referred to in the caput of this Article within the established period, such Meeting may be called by any shareholder of the Company.

Paragraph 2 - The new Board of Directors elected at the Extraordinary General Meeting referred to in the caput and in Paragraph 1 of this Article shall remedy any noncompliance with the obligations stated in the Novo Mercado Regulation as soon as possible or within a new deadline granted by B3 for this purpose, whichever is shorter.

Article 48 - In the event of Company delisting from the Novo Mercado in view of any noncompliance with obligations stated in the BM&FBOVESPA's Novo Mercado Regulation, that delisting shall be preceded by a Public Tender Offer, as provided in Article 45 of these Bylaws and subject to the applicable law and regulations.

Paragraph 1 – The Controlling Shareholder shall carry out the Public Tender Offer referred in the caput of this article.

Paragraph 2 - If there is no Controlling Shareholder and the delisting from Novo Mercado arises from a General Meeting resolution, the Public Tender Offer shall be carried out by the shareholders who voted at the General Meeting in favor of the matter that implied the noncompliance with obligations stated by the Novo Mercado Regulation.

Paragraph 3 - If there is no Controlling Shareholder and the delisting from Novo Mercado arises from any management's act or fact, the management shall call a General Meeting to discuss on how to remedy the noncompliance with Novo Mercado Regulation, or to deliberate on the delisting.

Paragraph 4 – In the event the General Meeting provided in Paragraph 3 above deliberates for the Company's delisting from the Novo Mercado, the General Meeting shall define the responsible for the Public Tender Offer as provided in the caput. The responsible must be an attendee at the General Meeting and shall expressly assume the obligation to conduct the Public Tender Offer.

Article 49 - The appraisal report of the Company to determine the fair price and/or the Economic Value, as applicable, shall be prepared by a specialized company, with proven experience and independence from the Company, its management and/or Controlling Shareholders. The appraisal report shall also comply with the requirements of Paragraph 1 of Article 8 of the Brazilian Corporation Law and include the obligation set forth in Paragraph 6 of the same Article 8.

Sole Paragraph – Any costs on the preparation of the appraisal report shall be fully paid by the responsible for the public tender offer, as the case may be, except for the provision in Paragraph 3 of Article 43 of these Bylaws.

Article 50 – A single Public Tender Offer, aiming more than one of the purposes set forth in this Chapter VII, in the Novo Mercado Regulation or in the regulation issued by the CVM, shall be permitted, provided that procedures are compatibles with all types of Public Tender Offers and there is no loss to the offer addressees and CVM approval is obtained if required by applicable legislation.

Article 51 - The Company or the shareholders in charge for the Public Tender Offer set forth in this Chapter VII, in the Novo Mercado Regulation or in the regulation issued by the CVM, may ensure its completion by any shareholder, third party or, as the case may be, by the Company. The Company or the shareholder, as the case may be, shall not be released from the obligation of completing the Public Tender Offer until it is conclusion in compliance with the applicable legislation.

Article 52 - Any shareholder or third person who has subscribed and/or purchased shares issued by the Company in a number equal to, or higher than, eight percent (8%) of the Company's corporate capital, and that is willing to purchase additional shares issued by the Company at the stock exchanges, shall be obliged to, prior to each new purchase, report its intention, in writing, to the Company, with at least three (3) business days in advance as of the date of the new purchase of shares, always subject to the provisions of the applicable legislation and CVM and B3 regulations.

CHAPTER VIII

COURT OF ARBITRATION

Article 53 – The Company, its shareholders, managers and member and deputy members of the audit board, if any, agree to settle, by means of arbitration, before the Market Arbitration Chamber (*Câmara de Arbitragem do Mercado*), under its regulation, any and all controversies that might arise among them, either related to, or arising from, their condition as issuer, shareholders, managers and audit board members, especially, arising from the provisions stated in Law 6,385/76, Law 6,404/76, in Company's Bylaws, rules issued by the Brazilian Monetary Council, Central Bank of Brazil or the Securities and Exchange Commission of Brazil, as well as the other rules applicable to the capital markets operation in general, addition to those contained in The Novo Mercado Regulation, other B3 regulations and the Agreement for Novo Mercado Membership.

Paragraph 1 – Without prejudice to the validity of this arbitration clause, the request of emergency measures by the parties to the Judiciary, where applicable, shall observe the provisions stated in the Arbitration Regulation of the Market Chamber of Arbitration.

Paragraph 2 – The investiture of Executive Officers and members of the Board of Directors is subject to their signing the instrument of investiture, which must include their agreement with the arbitration clause provided in this Article 53.

CHAPTER IX

WINDING UP OF THE COMPANY

Article 54 - The Company shall be liquidated in the cases provided by the law, and the General Meeting shall be responsible for choosing the liquidator or liquidators, as well as the Fiscal Council that will operate during such period, subject to any legal requirements.

CHAPTER X

FINAL AND TEMPORARY PROVISIONS

Article 55 - Any cases not ruled herein shall be settled by the General Meeting and regulated in accordance with the provisions of the Brazilian Corporation Law and of the Novo Mercado Regulation.

Article 56 – The Company shall not grant loans or guarantees of any kind to third parties, in any modality, for businesses that are alien to the business purpose.

Article 57 - The Company shall comply with the shareholders' agreements filed in its head office, and any transfer of shares and computation of votes cast in the General Meeting or Board of Directors' meeting contrary to their provisions shall be barred.

Article 58 - The provisions of Articles 43 and 52 of these Bylaws shall not apply to the current shareholders already owning a number equal to or higher than twenty percent (20%) and eight percent (8%), respectively, of the total shares issued by the Company and its successors on the publication date of the Notice of Commencement of Public Primary and Secondary Distribution of Shares issued by Totvs S.A ("Notice of Commencement"), regarding the public offering of shares issued by the Company, subject to CVM Process No. RJ/2005-09750, of December 21st 2005, ("Public Offering) and shall be applied only to investors that acquires shares and become a shareholder of the Company after the effective date of the Company's adhesion and listing to the Novo Mercado.

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EXHIBIT II – CONSOLIDATED INCENTIVE PLAN
SHARE BASED INCENTIVE AND RETENTION PLAN

1 DEFINITIONS:

“Shares” means the common shares issued by the Company.

“Restricted Shares” means the common shares issued by the Company that will be delivered to the Participant, strictly on the terms and conditions provided on this Plan and on the Agreement.

“Board of Directors” means the Board of Directors of the Company.

“Agreement” means the Agreement for the Granting of Shares and Other Covenants, approved by the Board of Directors, to be entered into between the Company and each Participant.

“Company” means TOTVS S.A.

“Grant Date of Restricted Shares” means the date of signing of the Agreement between the Participant and the Company.

“Termination” means any act or fact that terminates the legal relation of the Participant with the Company, except in cases of retirement by the Brazilian Institute of Social Security due to permanent disability, death or court decision of absence due to disappearance of the Participant. Termination includes, among others, the situation of voluntary termination or non-reelection as statutory officer without employment relation and the termination of employment agreement, for any reason, with or without cause, by any party.

“Participants” means the current and future employees and managers of the Company and/or its subsidiaries, nominated by the Personnel and Compensation Committee and elected by the Board of Directors to participate in the Plan.

“Grace Period” means the Grace Period of the Shareholders Program and the Grace Period of the Regular Program, jointly.

“Grace Period of the Shareholders Program” means regarding the Shareholders Program, the grace period of 3 years, as of the Grant Date of the Restricted Shares, after which the Participant acquires the right to become owner of the Restricted Shares and the Company will be required to transfer to the Participant the Restricted Shares in accordance with the Agreement, observing the provisions in Section 3.4 herein.

“Grace Period of the Regular Program” means the grace period of 3 years, as of the Grant Date of the Restricted Shares, after which the Participant acquires the right to become owner of the Restricted Shares and the Company will be obligated to transfer to the Participant the Restricted Shares in accordance with the Agreement.

“Plan” means this Share Based Incentive and Retention Plan, composed of: (i) Shareholders Program and (ii) Regular Program, comprising (ii.1) the Executive Program and (ii.2) the Highlights of the Year Program.

“Shareholders Program” means a part of this Plan, for which the following may be invited to participate, upon nomination of the Personnel and Compensation Committee and election by the Board of Directors of the Company based on the evaluation, at its sole discretion, based on methods of individual and corporate evaluation, performance, potential, career plan and level of connection with the Company: certain employees and managers of the Company and/or its subsidiaries, observing the provisions in Section 3.4.

“Regular Program” means a part of this Plan, composed of: (i) *Executive Program* – the following will be eligible for this program: employees and managers of the Company and/or its subsidiaries who are considered executives of the Company, based on evaluation and performance; and (ii) *Highlights of the Year Program* – the following will be eligible for the program: employees and managers of the Company and/or its subsidiaries who are not executives of the Company, and who were considered highlights of the year, based on evaluation and performance; all of them nominated by the Personnel and Compensation Committee and approved by the Board of Directors of the Company, at its sole discretion.

2 PURPOSES OF THE PLAN

The Plan has as its purpose: (i) determine the rules to allow the Participants to receive the Shares free of charge; (ii) increase the alignment, on the mid and long term, of the Participants interest with the interests of the shareholders, amplifying the notion of ownership and commitment of the Participant through the concept of investment and risk; and (iii) strengthen the incentives for the retention and stability of the Participants, on the long term, within the context of a publicly-held corporation.

3 GENERAL MECHANISM OF THE PLAN

- 3.1 Observing the dilution limit of the Plan established in Section 7.1, the applicable Grace Periods and the provisions in Section 3.4 regarding the Shareholders Program, the Company will deliver to Participants a number of Restricted Shares of the Regular Program and/or Shareholders Program to be determined by the Board of Directors at its sole discretion, in accordance with the evaluation and individual performance criteria of each Participant.
- 3.2 **Agreement.** The Participants and the Company will enter into an Agreement that shall provide the number of Restricted Shares of the respective Participant, determined by criteria set by the Board of Directors, and decreased in the amount corresponding to the total value of the retained income tax, social security contributions and of the labor charges potentially due.
- 3.3 **Regular Program.** The Participants shall have the right to receive the Restricted Shares of the Regular Program and the Company shall be obligated to transfer such Restricted Shares of the Regular Program at the end of the Grace Period of the Regular Program, in accordance with the procedures to be determined in the Agreement. During the Grace Period of the Regular Program, the Participants will not be entitled to receive dividends, or interest on net equity, related to the Restricted Shares.
- 3.4 **Shareholders Program.** The Participants shall have the right to receive the Restricted Shares of the Shareholders Program and the Company shall be obligated to transfer such Restricted Shares of the Shareholders Program at the end of the Grace Period of the Shareholders Program, provided the Participant, on the Grant Date of the Restricted Shares, has and continues to have continuously and uninterruptedly, including on the Grant Date of the Restricted Shares, in accordance with the criteria established in the Agreement, the equivalent of twelve (12) gross fixed monthly salaries invested in Shares of the Company. During the Grace Period of the Shareholders Program, the Participants will not be entitled to receive dividends, or interest on net equity, related to the Restricted Shares.
- 3.4.1 Subject to the provisions in Sections 3.4 and 15.3, Participants elected to the Shareholders Program of the Company who: (i) fail to maintain an amount equivalent to twelve (12) gross fixed monthly salaries invested in Shares of the Company between the Grant Date of the Restricted Shares and the date of delivery of the Restricted Shares, continuously and uninterruptedly, will not be entitled to receive the Restricted Shares at the end of the Grace Period of the Shareholders Program; and (ii) fail to maintain an amount equivalent to twelve (12) fixed monthly salaries invested in Shares of the Company, continuously and uninterruptedly, after the effective date of delivery of the Restricted Shares, will not be entitled to future grants of Restricted Shares of the Shareholders Program of the Company.

3.4.2 For clarification purposes, the mere existence and maintenance of the investment in Shares of the Company by the Participant, in the aforementioned amount, and its communication to the Company, does not imply any right acquired or guarantee of integration or inclusion of the Participant into the Company's Shareholders Program.

3.5 Discretionary Bonus in Restricted Shares. Subject to the dilution limit of the Plan, set forth in Section 7.1, and considering the number of Restricted Shares to be delivered to Participants in connection with the Regular Program and the Shareholders Program, the Board of Directors may, with the purpose of attracting and retaining certain key professionals in the Company and/or its subsidiaries, at its sole discretion, use any outstanding balance of Restricted Shares in connection with this Plan to make additional grants to Participants, in a restricted number, based on the opinion of the Personnel and Compensation Committee.

3.5.1 The grant of Restricted Shares in connection with this Section 3.5 will be subject to grace periods, lock-up periods, rules for Participant termination and other terms and conditions that are specific, to be determined by the Board of Directors at its discretion, in accordance with the respective Agreements.

4 MANAGEMENT OF THE PLAN

4.1 This Plan will be managed by the Board of Directors of the Company, supported by the Personnel and Compensation Committee, which shall have full powers to manage and govern it, having, among others, the necessary powers to:

- (i) decide about any and all acts related to the management of this Plan, and to govern and apply the general rules set forth herein;
- (ii) choose, among the eligible individuals to participate in this Plan, those that will participate in a certain year;
- (iii) determine the number of Restricted Shares to be granted to each Participant, subject to the quantitative limit provided in Section 7;
- (iv) resolve on the acquisition of Shares by the Company, as necessary for the fulfillment of this Plan;
- (v) approve the Agreement to be entered into between the Company and each of the Participants;
- (vi) modify the Grace Periods, as well as the other terms and conditions of the Agreement, provided that the rights of the Participants arising from, or

related to this Plan are not jeopardized, being excluded from such restriction potential changes made by the Board of Directors due to amendments in the applicable laws;

- (vii) analyze exceptional cases arising of, or related to, this Plan; and
- (viii) settle doubts related to the interpretation of the general rules provided in this Plan and decide on the omissions.

5 PARTICIPANTS OF THE PLAN AND DISTRIBUTION OF THE RESTRICTED SHARES

The current and future employees and managers of the Company and/or its subsidiaries nominated by the Personnel and Compensation Committee and elected by the Board of Directors who participate in the Plan. The Board of Directors shall nominate, among the eligible, the Participants, as well as approve the distribution of the Restricted Shares, within the Regular Program or the Shareholders Program.

6 AGREEMENT OF GRANTING OF RESTRICTED SHARES

- 6.1** The Board of Directors will determine the terms and conditions of each Agreement to be entered into between the Company and each Participant, subject to the terms and conditions of this Plan.
- 6.2** The Company's obligation to transfer the Restricted Shares within this Plan shall be (i) subject to the execution of the Agreement with each of the Participants, and (ii) subject to the maintenance of the employment and/or statutory relation, as applicable, of each Participant with the Company and/or its subsidiaries until the end of the Grace Period as applicable.

7 QUANTITATIVE LIMIT

- 7.1** The maximum number of Restricted shares that may be granted in accordance with this Plan shall be limited to Restricted Shares corresponding to 5.68% of the Company's share capital, including in this limit any grants made under the Share-Based Incentive and Retention Plan approved at the General Meeting of December 15, 2015.
- 7.2** The Shares, currently held in treasury or that may be acquired by the Company for such purpose, shall be used for the liquidation of the Restricted Shares, in accordance with the applicable rules. Alternatively, the Company may choose to make the payment related to the Restricted Shares in cash, subject to the criteria set by the Board of Directors.

8 PRICE FOR THE GRANTING OF THE RESTRICTED SHARES

- 8.1** The granting of the Restricted Shares will be made free of charge to the Participants, provided that in accordance with the terms of this Plan, especially the Grace Periods and the rules of each Agreement.
- 8.2** The reference price of the Restricted Shares, for the purposes of the Plan, shall be the average closing price of the Company's shares in the thirty (30) trading sessions prior to the effective Grant Date of the Restricted Shares to the Participant or any other amount to be determined by the Board of Directors that reflects the market value of the Shares.
- 8.3** The number, kind and class of the Restricted Shares in the Agreement will be adjusted in the form deemed appropriate by the Board of Directors in view of (i) change in the structure of the Company's capital; (ii) share bonus, split or reverse split of shares conducted by the Company; or (iii) any corporate reorganizations, recapitalizations, amalgamations, mergers, exchange of Shares, spin off, liquidation or dissolution involving the Company.

9 TRANSFER OF RESTRICTED SHARES

Subject to the maintenance of the employment and/or statutory relation, as applicable, of the Participant with the Company and/or its subsidiaries until the end of the applicable Grace Period and the rules of each Agreement, the Restricted Shares shall be transferred by the Company to the Participant within 30 days of the end of the Grace Period, as applicable, as well as the terms of the Agreement.

10 NON INTERFERENCE IN THE EMPLOYMENT OR STATUTORY RELATION

No provision of this Plan may be interpreted as a creation of rights to the Participants employees and/or statutory, as applicable, besides those inherited to the Restricted Shares, nor will grant rights to the Participants related to the guarantee of maintenance as employee and/or statutory officer of the Company and/or its subsidiaries or will interfere in any form with the Company's right, subject to the legal conditions and those of the employment or management agreement (related to the statutory Participants without employment relation), to terminate at any time the relationship with the Participant.

11 TERMINATION

- 11.1** In case of Termination of the Participant by its decision at any time during the Grace Periods, the Participant will no longer be entitled to receive the Restricted Shares of the Company such as provided in Section 3. Notwithstanding, the Participant shall keep the right of ownership over the potential Restricted Shares of the Regular Program and Restricted Shares of the Shareholders Program that are already owned by the Participant due to the end of the Grace Periods.
- 11.2** In case of Termination of the Participant by decision of the Company without cause: the Participant shall be entitled to receive half of the Restricted Shares if the time limit of more than 2 years of the applicable Grace Periods has elapsed. The Participant will lose the right to receive all other Restricted Shares under the Regular Program and/or the Shareholders Program.
- 11.3** In case of Termination of the Participant with cause, the Participant shall lose the right to receive all the Restricted Shares that have not been transferred until the Termination, regardless of the program applicable to the Participant.

12 DEATH, DISAPPEARANCE OR PERMANENT DISABILITY

- 12.1** In the event of death, disappearance or permanent disability of the Participant, all Grace Periods shall be deemed early terminated, at the time of the death, disappearance or disability of the Participant.

13 SCOPE OF THE RIGHTS OF THE PARTICIPANT

No Participant shall have any rights or privileges of shareholder of the Company, including the right to receive dividends, interest on equity and other earnings until the date of the effective transfer of the Restricted Shares to the Participants.

14 TERM AND TERMINATION OF THE PLAN

The Plan shall become effective as of its approval by the General Meeting of the Company, on April 5, 2018, and remain valid through December 14, 2025.

15 ADDITIONAL PROVISIONS

- 15.1** Any right to receive the Restricted Shares pursuant to this Plan is subject to all terms and conditions provided herein, which shall prevail in case of inconsistency over the provisions of any agreement or document mention in this Plan.

- 15.2 The Board of Directors, in the Company's interest and of its shareholders, may cancel or suspend the Plan, or, modify the conditions of the Plan, provided that it does not change the related basic principles, especially the maximum limits for the transfer of Restricted Shares approved by the General Meeting. The General Meeting, may also, approve a new share based incentive and retention plan, including for purposes of allowing the acquisition of shares that exceed the maximum thresholds set forth in the Plan.
- 15.3 For grants of Restricted Shares based on the Share-Based Incentive and Retention Plan approved in the General Meeting of December 15, 2015 and for grants of Restricted Shares made in fiscal year 2018, exceptionally, the amount equivalent to twelve (12) gross fixed monthly salaries invested in Shares of the Company, set forth in Section 3.4 herein, may be reached by the respective Participant within three (3) years from the Grant Date of the Restricted Shares of the Shareholders Program for fiscal year 2018, or based on any other criteria that may be defined in the future by the Board of Directors.
- 15.4 The Board of Directors may also set forth a special treatment for certain situations during the term of the Plan, and even decide on specific conditions of total amount and distribution of Restricted Shares, provided that the rights already granted to the Participants are not jeopardized, and observing the quantitative limit set forth in Section 7. Such treatment shall not be deemed as a precedent that may be requested by other Participants.
- 15.5 This Plan amends and complements the Share-Based Incentive and Retention Plan approved in the General Meeting of December 15, 2015, with all grants of Restricted Shares made until the date hereof remaining valid and effective, and remaining valid the requirement to observe for this Plan and its predecessor the total maximum limit for granting Restricted Shares of five point six eight percent (5.68%) of the Company's capital, in accordance with Section 7.1 herein.
- 15.6 The omitted cases shall be regulated by the Board of Directors.

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