

TOTVS S.A.
Corporate Taxpayer ID (CNPJ/MF): 53.113.791/0001-22
Company Registry (NIRE): 35.300.153.171

SUMMARY OF THE MINUTES OF THE BOARD OF DIRECTORS MEETING
HELD ON DECEMBER 20, 2018

1. **DATE, TIME AND PLACE:** On December 20, 2018, from 9 a.m. to 2 p.m., at Av. Braz Leme, nº 1000, in the city and state of São Paulo.
2. **PRESIDING BOARD:** Chairman: Laércio José de Lucena Cosentino; Secretary: André Rizk.
3. **CALL NOTICE AND ATTENDANCE:** Call notice was duly sent in accordance with paragraph 1, article 18 of the Bylaws of TOTVS S.A. (“TOTVS” or “Company”). All the members of the Board of Directors (“Board”) attended the meeting, namely: Laércio José de Lucena Cosentino, Pedro Luiz Barreiros Passos, Gilberto Mifano, Mauro Rodrigues da Cunha, Wolney Edirley Gonçalves Betiol, Guilherme Stocco Filho, Paulo Sergio Caputo, Claudia Elisa de Pinho Soares and Maria Letícia de Freitas Costa.

Dennis Herszkowicz, Chief Executive Officer, Gilsomar Maia Sebastião, Administrative and Financial Vice President and Investor Relations Officer, Michele de Oliveira Endler Virgilio, Corporate Governance Coordinator, and Rita Pellegrino, Human Resources Officer, attended a part of the meeting. Also present was Marcos Aguiar, partner at Boston Consulting Group (BCG), to discuss an item on the agenda.

4. **AGENDA:** (i) Message from the Chairman; (ii) Presentation of results of the appraisals of the Board and the Advisory Committees; (iii) Report of the Chief Executive Officer, including approval of the 2019 Budget; (iv) Report on the activities of the Audit Committee, including: (a) the accounting of the recovery of deferred tax assets; and (b) approval of the Policy on Approval Authorities; (v) Report on the activities of the Personnel and Compensation Committee, including the 2019 targets for the Board of Executive Officers; (vi) Report on the activities of the Strategy and Technology Committee; (vii) Report on the activities of the Governance and Designation Committee, including: (a) revision of the Charter of the Board of Directors and of the Advisory Committees; and (b) approval of the new composition of Advisory Committees and Coordinators; and (viii) Executive Session.

5. **PRESENTATIONS AND RESOLUTIONS:**

5.1. The Chairman of the Board made a few comments for discussion among all those present.

5.2. The stages, scope and results of appraisals of the Board and Advisory Committees, made by consulting firm BCG, were presented and were followed by discussions and definitions.

5.3. After the report of the Chief Executive Officer, the 2019 budget proposal was presented and the Board, after discussions, **approved**, unanimously and without reservations, pursuant to article

19, item (vii), of the Bylaws of the Company, the budget for fiscal year 2019 of the Company and its subsidiaries.

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

- (a) the proposed booking of recovery of deferred tax assets of the Company, as per CVM Instruction 371/2002 and the accounting standards in force; and
- (b) the Policy on Approval Authorities, which will take effect on this date, and authorized its disclosure on the Company's Investor Relations website (<http://ri.totvs.com>).

5.5. A report was presented on the activities of the Personnel and Compensation Committee, including the 2019 targets of the Board of Executive Officers.

5.6. After the report on the most recent activities of the Governance and Designation Committee was presented, the Board **approved**, unanimously and without reservations:

- (a) the change in the name of the Strategy and Technology Committee (CET) to Strategy Committee (CEST);
- (b) the revised Charter of the Board of Directors and Committees, pursuant to article 20, paragraph 4, of the Bylaws of the Company, which will take effect on this date, and authorized its disclosure on the Company's Investor Relations website (<http://ri.totvs.com>); and
- (c) the new composition of the Committees and Coordinators, as shown in the table below, recording that there were no changes in the composition of the Audit Committee:

Strategy Committee
Maria Letícia de Freitas Costa (Coordinator)
Laércio José de Lucena Cosentino
Guilherme Stocco Filho
Wolney Edirley Gonçalves Betiol
Dennis Herszkowicz (Chief Executive Officer)
Governance and Designation Committee
Laércio José de Lucena Cosentino (Coordinator)
Gilberto Mifano
Mauro Rodrigues da Cunha
Personnel and Compensation Committee
Claudia Elisa de Pinho Soares (Coordinator)
Paulo Sergio Caputo
Vacant
Audit Committee
Gilberto Mifano (Coordinator)
Mauro Rodrigues da Cunha
Paulo Sergio Caputo

5.7. Subsequently, the Directors met in an executive session without the presence of the executive officers.

5.8. Finally, the Board **recorded** the resignation submitted on this date (December 20) by **Pedro Luiz Barreiros Passos** as Director of the Company, who was elected at the Annual Shareholders Meeting held on April 5, 2018. The position will remain vacant until the election of his replacement, as per the resignation letter filed at the registered office of the Company.

The Board thanked Mr. Passos for his outstanding service during his tenure as director and as chairman of the Board of Directors and the Governance and Designation Committee, as well as his remarkable legacy, inspiration and contribution to the success of the Company.

6. APPROVAL AND SIGNING OF THE MINUTES: With no other matter to discuss, the Chairman called the meeting to a close and these minutes were drawn up. This document is a summary of non-confidential items of said minutes.

São Paulo, December 20, 2018

Laércio José de Lucena Cosentino
Chairman of the Meeting

André Rizk
Secretary