

TOTVS S.A.

CNPJ No. 53.113.791/0001-22

NIRE 35.300.153.171

Publicly-Held Company

PROPOSAL FOR THE GENERAL MEETING OF DEBENTURE HOLDERS OF THE FIRST AND SECOND SERIES OF THE FIRST (1ST) PRIVATE ISSUANCE OF DEBENTURES CONVERTIBLE INTO SHARES WITH FLOATING GUARANTEE OF TOTVS S.A., TO BE HELD IN JUNE 24, 2019

Dear Sirs,

Pursuant to paragraph 2 of article 71, combined with paragraph 3 of article 135 of Law 6,404, dated as of December 15, 1976, as amended ("Brazilian Corporate Law"), the members of TOTVS S.A. ("TOTVS" or "Issuer") management submit to you the following proposal, to be decided in a general meeting of the holders of the debentures convertible into shares, with floating guarantee, of the first and second series of the first (1st) issuance of the Issuer ("General Meeting of Debenture Holders", "Debenture Holders", and "Debentures", respectively), pursuant to the "*Instrumento Particular de Escritura da 1^a (Primeira) Emissão Privada de Debêntures Conversíveis em Ações, com Garantia Flutuante, da TOTVS S.A.*", entered into on August 28, 2008 between the Issuer and Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A. ("Fiduciary Agent"), as amended ("Indenture").

The General Meeting of Debenture Holders shall be held on June 24, 2019 at 2:00 pm, at the Issuer's headquarters, located in the City of São Paulo, State of São Paulo, at Avenida Braz Leme, No. 1000, Casa Verde, CEP 02511-000, according to the rules of the Brazilian Corporate Law, to the Brazilian Securities Commission ("CVM") Rule No. 480 of December 7, 2009, as amended, to the CVM Rule No. 481, of December 17, 2009, as amended, and to the Issuer's by-laws, pursuant to the call notice available for on this date on the Issuer's investor relations website (<https://ri.totvs.com/>), on the website of CVM (<https://www.cvm.gov.br>) and on the website of B3 S.A. – Brasil, Bolsa, Balcão ("B3") (<https://www.b3.com.br>) which shall be published on June 06, 07 and 08, 2019 in the Official Gazette of the State of São Paulo and in the "*Valor Econômico*" newspaper ("Call Notice").

Capitalized terms used, but not defined herein, shall have the meaning ascribed to them in the Indenture.

Resolutions

Pursuant to the Call Notice, in the General Meeting of Debenture Holders and pursuant to Clause 5.1 (m) combined with Clause 4.1 (p), as well as Clause 5.1 (l) combined with Clause 4.1 (e) of the Indenture, the Debenture Holders shall be decide on the following matters: **(i)** the authorization to the Issuer to (a) jointly with its controlled company BEMATECH S.A. ("Bematech"), sell to ELGIN S.A. ("ELGIN") all quotas issued by BEMATECH HARDWARE LTDA. ("Bematech Hardware"), for a total amount of R\$25,000,000.00 (twenty-

five million reais), subject to adjustments, to be paid at the closing of the transaction; **(b)** sell its hardware operations in Brazil and abroad, including through the direct or indirect transfer of its equity interests held in companies involved in such business, in accordance with the Issuer's strategic plan to focus the attention of its teams and resources in the software operations, as already disclosed to the market (subitems "(a)" and "(b)" of this item "(i)" together, "Sale of Hardware Operations"); **(ii)** the authorization to the Issuer to sell, to VTEX S.A. ("VTEX"), the entire equity interest held by the Issuer in the share capital of CIASHOP S.A. ("Ciashop"), representing 70.47% of Ciashop's share capital, for the amount of R\$21,175,000.00 (twenty-one million one hundred and seventy-five thousand reais), subject to adjustments, to be paid at the closing of the transaction ("Sale of Ciashop"); and **(iii)** the authorization to the Issuer and the Fiduciary Agent to execute and deliver any and all acts necessary and/or convenient to carry out, formalize, implement and/or improve the decisions regarding the matters on this agenda.

Management Comments

As you and the general market are aware, the Issuer have executed, on May 8, 2019,, jointly with its controlled company Bematech, a binding Memorandum of Understanding ("MoU") for the sale, to ELGIN, of its hardware operations in Brazil conducted through its subsidiary Bematech Hardware, for the price of R\$25,000,000.00 (twenty-five million reais), to be paid on closing of the transaction, subject to adjustments.

The decision for the sale of the hardware operations is in alignment with Issuerstrategic plan to focus the attention of its teams and resources in the software operation, allowing a hardware specialist such as ELGIN to enhance its innovation and scalecapacities to adequately explore the potential of the commercial automation equipment market, and add more value to clients.

In addition, the Issuer intends to sell to VTEX the entire equity interest held by the Issuer in the share capital of Ciashop, representing 70.47% of the share capital of Ciashop, for the amount of R\$21,175,000.00 (twenty one million one hundred and seventy-five thousand reais), subject to adjustments, to be paid at the closing of the transaction. The total value attributed to Ciashop was R\$30,048,966.08 (thirty million, forty-eight thousand, sixty-six reais and eight centavos).

This transaction is included in the context of a deal between the Issuer and VTEX, which comprehends the creation of a joint venture that will focus on the development and distribution of e-commerce software solutions for companies in the Brazilian market. With this move, the Issuer will join one of the main digital commerce platforms, offering integrated management and e-commerce software solutions to its more than thirty thousand customers.

Given the above, the Issuer submits to the Debenture Holders the approval the Sale of Hardware Operations and Sale of the Ciashop by the Issuer.

General information

This document and the Call Notice are available to the Debenture Holders at the Issuer's headquarters and can be accessed on the websites of the Issuer (<https://ri.totvs.com>), the B3 (<http://www.b3.com.br>), the CVM (<http://www.cvm.gov.br>) and the Fiduciary Agent (<http://www.oliveiratrust.com.br>).

Pursuant to Article 126 of the Brazilian Corporate Law, Debenture Holders must submit, at least one (1) business day prior to the date of the General Meeting of Debenture Holders, to the Fiduciary Agent, to the e-mail ger2.agente@oliveiratrust.com.br, the copies of the documents regarding the evidence of the powers of its legal representative(s).

On the day of the General Meeting of Debenture Holders, Debenture Holders must present themselves at the place indicated above with 30 (thirty) minutes in advance with an identity document and the original documents previously sent by e-mail.

This proposal may be supplemented by the members of the Issuer's management, if necessary.

As it was all for the moment, the members of the Issuer's management submit this proposal to your appreciation.

São Paulo, June 06, de 2019.

TOTVS S.A.
TOTVS's management