



TOTVS S.A.

Corporate Taxpayer's ID (CNPJ/ME) No. 53.113.791/0001-22

Company Registry (NIRE) 35.300.153.171

A publicly-held Company

SHARE-BASED INCENTIVE PLAN¹

1 DEFINITIONS:

"**Shares**": means the common shares issued by the Company.

"**Restricted Shares**" means the Shares that will be delivered, pursuant to this Plan (including those delivered pursuant to Chapter 15) and the Programs.

"**CLT**" means the Consolidation of Labor Laws.

"**Committee**" means the Company's People and Compensation Committee, as provided for in the Company's Bylaws, or another Committee as may be specifically created or appointed by the Board of Directors to manage the Plan, as applicable.

"**Board of Directors**" means the Company's Board of Directors.

"**Agreement**" means the Share Granting Agreement and Other Covenants approved by the Committee, to be executed by and between the Company and each Participant or director within the scope of this Plan and, whenever applicable, of the corresponding Programs.

"**Company**": means TOTVS S.A.

"**Termination**": means any action or fact that puts an end to the legal relationship between the Participant or the director and the Company, except in cases of retirement by the Brazilian National Social Security Institute (INSS) due to permanent disability, death, or court declaration of absence due to the disappearance whether of the Participant or the director, as the case may be. The word 'termination' covers, among others, any voluntary dismissal, request for dismissal, resignation, removal, replacement or non-reelection as a management member without an employment relationship, and termination of an employment contract for any reason, for cause or not, at the initiative of either party, or by mutual agreement.

¹ Approved by the Extraordinary General Meeting held on April 19, 2023.

“Board of Executive Officers” means the Company's statutory board of executive officers.

“Bylaws” means the Company's Bylaws.

“Grant to the Board” has the meaning given in Section 15.1 of this Plan.

“Participants” means the employees and management members of the Company and its subsidiaries who are considered eligible within the scope of each Programs.

“Vesting Periods” means the Vesting Period for the "ILP Destaques Program", the Vesting Period for the ILP Performance Program, and the Vesting Period for the ILP Master Program considered together.

“Vesting Period for the ILP Destaques Program” means the vesting period of 3 (three) years from the execution of the corresponding Agreement, after which the Participant is entitled to become the holder of the Restricted Shares granted within the scope of the ILP Destaques Program, and the Company shall transfer the Restricted Shares to the Participant under the terms of the Agreement.

“Vesting Period of the ILP Performance Program”: means the vesting period of 3 (three) years from the execution of the corresponding Agreement, after which the Participant is entitled to become holder of the Restricted Shares granted under the ILP Performance Program and the Company shall transfer the Restricted Shares to the Participant under the terms of the Agreement, subject to the achievement of the Company's long-term, internal and external performance indicators, as provided for in the corresponding Agreement.

“Vesting Period for the ILP Master Program” means the vesting period of 5 (five) years from the execution of the corresponding Agreement, after which the Participant is entitled to become holder of the Restricted Shares granted under the ILP Master Program, and the Company shall transfer the Restricted Shares to the Participant under the terms of the Agreement.

“Plan” means this Share-Based Incentive Plan.

“Programs” means, together, ILP Destaques Program, the ILP Performance Program, and the ILP Master Program, and does not cover Grants to the Board of Directors.

“ILP Destaques Program” means the program, subject to this Plan, for which the Committee may nominate participants, annually, at its sole discretion, based on an individual performance assessment, which adopts an objective methodology approved by the Board of Directors, and is informed to the corresponding Participants, which includes criteria such as results achieved, potential, and competencies, certain employees of the Company and/or controlled companies in non-executive positions (below the Executive Manager or other position that may replace it) who are considered, in the above-mentioned assessment, “Highlights of

the Year". Although it is possible, there are no rules that require the Participant to be nominated every year to take part in this program.

"ILP Master Program" means the program, subject to this Plan, for which the Committee may nominate annually, at its sole discretion, a selected group of individuals considered as key and critical to the Company, holding executive positions, meaning those Participants holding the position of executive manager or higher (or other positions that might replace them) to participate, whether employees or statutory Management members, based on an individual performance assessment, which adopts an objective methodology approved by the Board of Directors, and is informed to the corresponding Participants, including criteria like results, potential, and competencies. To be entitled to the restricted shares subject matter of the grant, the Participant ought to meet the "stock ownership guideline", which sets forth the following obligations (i) at the final term of the three-year period after the date of grant, (ii) on the last day of May, August and November after the final term of said three-year period until the date of the actual delivery of the restricted shares by the Company, and (iii) on the date of the actual delivery of the restricted shares by the Company, prove he/she is the holder of the Company shares whose market value corresponds to twelve (12) monthly fixed gross salaries. In case the dates to prove the ownership of the shares referred to in the sentence above coincide with periods forbidding the negotiation of Company shares, the verification will be done on the second business day immediately after the date on which the period of the corresponding prohibition ends. In case the Participant does not meet any of these conditions, he/she will not be entitled to receive the restricted shares at the end of the vesting period. The Participant is the sole responsible for ensuring the compliance with these conditions, considering any variations in the value of his/her monthly fixed gross salary, as well as any variations in the market value of the Company's share. Although it is possible, there are no rules that require the Participant to be nominated every year to take part in this program.

"ILP Performance Program" means the program, subject to this Plan, for which Company executives are eligible to participate annually, as nominated by the Committee at its sole discretion, meaning those Participants holding the position of executive manager or higher (or other positions that might replace them), whether employees or statutory Management members, based on the achievement of Company's internal and external long-term performance indicators established annually by the Board of Directors and informed to the Participants, and the individual performance assessment, which adopts an objective methodology approved by the Board of Directors, also informed to the respective Participants, including criteria like results, potential, and competencies.

"Change of Control" means either of the following events: (i) the acquisition of 30% or more of the shares representing the Company's capital stock by one shareholder or group of shareholders representing a common interest; or (ii) a corporate

reorganization, including consolidation, acquisition, merger of shares, spin-off followed by the merger of the spin-off portion or any similar transaction resulting in the title of 30% or more of the shares representing the capital stock of the resulting company by one shareholder or group of shareholders representing a common interest.

2 PURPOSES OF THE PLAN

The Plan aims to: (i) set forth some rules so that Participants or directors can receive Shares without having to pay a price for them; (ii) increase the alignment of interests of Participants and directors in the medium and long term with the shareholders' interests, increasing the sense of ownership and commitment through the concepts of investment and risk; and (iii) strengthen the incentives for long-term permanence and stability, within the context of a publicly held company; and (iv) foster the increase in the Company's long-term performance, as determined through business indicators.

3 MANAGEMENT OF THE PLAN

3.1 The Programs will be managed by the Committee, which will have full powers to interpret them, having, among others, the required authority to:

- (i) approve the Programs set forth in this Plan, as well as their corresponding regulations;
- (ii) decide on any and all measures related to the administration of the Programs, and interpret and apply the general rules established herein, subject to the provisions of Section 3.5;
- (iii) select, among the persons eligible to participate in the Programs, those who will take part in them in a given fiscal year or establish the criteria for their determination;
- (iv) determine the number of Restricted Shares to be granted on each Participant under the Programs, subject to the quantitative limit provided for in Clause 7;
- (v) approve the Agreement to be entered into between the Company and each of the Participants;
- (vi) amend the Program provisions as necessary towards its management, as well as to meet Company interests, as long as (a) such amendments do not violate the provisions of this Plan or of the Programs; or (b) Participants' rights arising from or related to the Programs are not harmed. This limitation excludes any adaptations that the Committee might perform in consequence of changes implemented in the law in force;

- (vii) analyze exceptional cases arising out of or connected to the Programs; and
 - (viii) exclusively with regard to the Programs, settle doubts regarding the interpretation of the general rules set forth in this Plan, and address omitted cases.
- 3.2 The Committee decisions will have a binding nature on the Company and the Participants, when they are made in compliance with this Plan, the respective Program or the applicable laws.
- 3.3 None of the Participants may take part in discussions within the Committee regarding this Plan or any Program or Agreement.
- 3.4 Further, none of the Participants may, in any other bodies of the Company management, attend discussions or vote for any matter in which the Participant has a potential interest as regards this Plan, the Programs or any Agreement, as well as concerning his/her individual compensation within the scope of this Plan.
- 3.5 Notwithstanding the above, the Committee shall not be entitled to determine, nor may it change the rules concerning the granting of Restricted Shares to the Board of Directors, pursuant to Chapter 15 below, and the Board of Executive Officers shall have authority to implement the Grant to the Board pursuant to this Plan as approved by the General Meeting.

4 PROGRAMS PARTICIPANTS AND DISTRIBUTION OF RESTRICTED SHARES

- 4.1 Employees and management members who meet the criteria set forth in this Plan and, as applicable, in the corresponding Programs, including featured individuals in their respective areas and executive officers who hold certain positions selected by the Committee, are eligible to take part in the Programs, and the grant of shares to members of the Board of Directors must comply with the provisions of Chapter 15 of this Plan.
- 4.2 The Committee is responsible for nominating the Participants in the Programs among those eligible employees and statutory Management members, as well as approve the distribution of the Restricted Shares within their scope.
- 4.3 The nomination of Participants by the Committee, pursuant to Section 4.2, shall take place annually, either by nominating expressly the employees and management members eligible to take part in each of the Programs or by setting forth criteria for their determination.

5 SHARE-BASED INCENTIVE PLANS

- 5.1 Subject to the provisions of this Plan, the Committee is in charge of approving and regulating the Programs constituting this Plan, as well as approving the corresponding Agreements.
- 5.2 The granting of incentives to each Participant is made through the execution of the corresponding Agreement, providing on the grant of the respective Restricted Shares, as well as the terms and conditions for their granting. The execution of the Agreement by the Participant implies the acceptance of all the conditions of this Plan, as well as those of the corresponding Program.
- 5.3 The Restricted Shares granted within the scope of each one of the Programs are granted in full at the end of the applicable Vesting Periods.
- 5.4 The Committee should implement annual cycles of granting for each one of the Programs, in accordance with the criteria defined therein, and the maximum limit of shares that can be granted within the scope of this Plan, as set forth in Clause 7.1.
- 5.5 The number of shares granted in each one of the Programs will be stipulated based on the value of the compensation freely assigned to each one of the Participants, within the scope of the respective Programs, as recommended by the Committee, in accordance with the individual assessment and performance criteria of each Participant, as well as on the market positioning references in relation to the anchoring and alignment of the executive compensation package. This value will be divided by the reference price of the Company shares, calculated as described in section 8.2 below.
- 5.6 Discretionary Bonus on Restricted Shares. Subject to the dilution limit of the Plan provided for in Section 7.1, the Committee may, also, with the purpose of attracting certain key individuals to the Company and/or to the companies controlled by the Company, at its sole discretion, use any remaining balance of Restricted Shares under this Plan to assign grants to these individuals that it intends to attract, in a restricted number.
- 5.6.1 The granting of Restricted Shares within the scope of this Section is subject to any vesting periods, Participant termination rules and other specific terms and conditions freely determined by the Committee, as it may be set forth in the corresponding Agreements.
- 5.6.2 The vesting period of the Restricted Shares granted within the scope of this Section will be at least three (3) years from the date of grant of the Restricted Shares.

6 RESTRICTED SHARE GRANTING AGREEMENT

- 6.1 Subject to the provisions of Chapter 15, the Committee shall set forth the terms and conditions of the Agreements, observing the terms and conditions of this Plan and the respective Programs.
- 6.2 The Participants and the Company will execute the corresponding Agreements, which will define the number of Restricted Shares to which the Participant will be entitled if the conditions set forth in this Plan and, if applicable, in the Programs and in the Agreement are met, as determined by the criteria determined by the Committee, and, as provided for in Section 8.3 below, decreased by an amount corresponding to the total value of any withholding income tax, social security contributions and labor charges that may be due and payable.
- 6.3 The Company's obligation to transfer the Restricted Shares within the scope of this Plan is subject to (i) the execution of an Agreement with each one of the Participants, (ii) the continuity of the employment and/or statutory relationship, as the case may be, of each Participant with the Company until the end of the applicable Vesting Period; (iii) meeting the performance targets set forth for the Participants, in the case of the Performance Plan Program, as described in the corresponding Agreements; (iv) meeting the stock ownership guidelines set forth in the ILP Master Program; and (v) any other conditions set forth in this Plan and, as applicable, in the corresponding Programs and Agreements.

7 QUANTITATIVE LIMIT

- 7.1 Restricted Shares that under this Plan represent, at most, 5.68% (five point sixty-eight per cent) of the Company's capital stock when added to the Restricted Shares delivered within the scope of the Plan 2 (as set forth in Section 16.1), can be delivered.
- 7.2 For the purposes of this Plan, Shares maintained as treasury stock presently or that the Company acquired for such purpose will be used, in compliance with applicable regulations. Alternatively, the Company may choose to perform the payment related to the Restricted Shares in cash, under the price criteria set forth in Section 8.2.

8 RESTRICTED SHARE GRANTING PRICE

- 8.1 The Restricted Shares are granted to the Participants without consideration, provided the terms of this Plan, especially the Vesting Periods and the rules contained in each Agreement, are complied with.

- 8.2 The reference price of the Restricted Shares for the aims of the Plan corresponds to the average closing quotation of the Company shares in the sixty (60) trading days prior to the date of grant or, as for the Programs, another amount under the criteria determined by the Committee and that reflects the market value of the Shares.
- 8.3 The Company will hold and sell a portion of the Restricted Shares to pay for the Withholding Income Tax and any other taxes owed by the Participant, levied on the total number of Restricted Shares to which the Participant is entitled. Thus, only the number of Restricted Shares net of those necessary to cover the costs with Withholding Income Tax and other taxes owed by the Participant will be actually transferred to the Participant.
- 8.4 The number, kind, and class of the Restricted Shares in the Agreement will be adjusted on a pro rata basis in view of (i) any change in the Company's capital structure; (ii) bonus, split, or reverse split of Shares made by the Company; or (iii) any corporate restructuring, recapitalization, consolidations, mergers, exchange of Shares, spin-offs, liquidation, or dissolution involving the Company.

9 TRANSFERS OF RESTRICTED SHARES

- 9.1 Subject to the continuation of the employment agreement and/or statutory bond, as the case may be, between the Participant or the director and the Company and/or the Company's controlled companies until the end of the applicable Vesting Period and the rules contained in each Agreement, the Restricted Shares will be transferred by the Company to the Participant or the director, as the case may be, within 60 (sixty) days from the end of the Vesting Period, as applicable, as well as under the terms of the Agreement.

10 NO INTERFERENCE IN THE EMPLOYMENT OR STATUTORY RELATIONSHIP

- 10.1 None of the provisions set forth in this Plan may be construed as constituting rights to Participants or directors who are whether employees and/or statutory Management members, as the case may be, in addition to those inherent to Restricted Shares, nor will any provision confer rights to them regarding the guarantee to be maintained as an employee and/or management member of the Company and/or in the companies controlled by the Company, or in any way will it interfere with the right of the Company or its controlled companies, as the case may be, subject to the legal conditions and those arising from the employment agreement or management contract (in the case of statutory management members not bound by an employment agreement), to terminate at any time the relationship with the Participant or director.

11 SEVERANCE

- 11.1 In case of termination of the Participant at his/her own initiative or for cause at any time during the Vesting Periods, as applicable, the Participant will be no longer entitled to receive Restricted Shares. Notwithstanding, the Participant will preserve the right of ownership on any Restricted Shares belonging to him/her upon the Termination, due to the elapse of the applicable Vesting Periods.
- 11.2 In compliance with the deadline set forth in Clause 9.1 above, in case of Termination of the Participant at the Company's initiative, without cause, or upon mutual agreement, the Participant will be entitled to receive proportionally the Restricted Shares subject matter of the granting, in accordance with the time already elapsed of the applicable Vesting Periods calculated until the actual date of Termination. As for the ILP Performance Program, the shares will be transferred only at the end of the respective Vesting Period and subject to the determination of the performance targets set forth in the Agreement. For purposes of proportionality, a full working month is considered as the one with at least 15 working days.
- 11.3 In compliance with the deadline set forth in Clause 9.1 above, in case of compulsory retirement, the Participant will be entitled to receive in full the Restricted Shares that have been granted to him/her, with the early expiration of the Vesting Periods then in force, except in the case of the ILP Performance Program, where the payment will become due and payable only at the end of the respective Vesting Period and subject to the determination of the performance targets set forth in the Agreement.
- 11.4 In the event of Change of Control, if the Participant is terminated involuntarily from the Company, under the terms of Clause 11.2 above, within twelve (12) months from said event, he/she will be entitled to receive the Restricted Shares in full, in accordance with the existing performance indicators and informed to the Participant upon the event in question. The provisions above apply after said twelve (12) months.
- 11.5 The Committee regulates other Termination cases not described above.

12 DEATH, ABSENCE, OR PERMANENT DISABILITY

- 12.1 In the event of death, disappearance or permanent disability of the Participant, all the Vesting Periods will be deemed as expired earlier, upon the death, disappearance or declaration of disability of the Participant by the Brazilian National Social Security Institute. This will make him/her or his/her respective successors, as applicable, entitled to receive the Restricted Shares in full within until one hundred and eighty (180) days from the event in question. In case of the ILP Performance Program, the determination of

the performance indicators will be disregarded, and the number of Restricted Shares established in the Agreement will be transferred.

13 DELIMITATION OF THE RIGHTS OF THE PARTICIPANT OR THE DIRECTOR

- 13.1 None of the Participant or director shall have any of the rights and privileges of a shareholder of the Company until the date of transfer of the Restricted Shares to them.

14 DIVIDENDS AND BONUSES

- 14.1 The Restricted Shares will be entitled to the dividends, interest on net equity and other payments (in full, under equal conditions with the other Company shareholders) declared by the Company only from the date of the actual transfer of the ownership of the Restricted Shares to the Participants or directors, as the case may be.

15 GRANTING OF SHARES TO MEMBERS OF THE BOARD OF DIRECTORS

- 15.1 The members of the Board of Directors shall be entitled to be granted Restricted Shares as part of their compensation, subject to the general provisions contained in this Plan and the provisions of this Chapter 15, in particular in section 15.1.3 ("**Grant to the Board**").

15.1.1 The provisions set forth in this Chapter 15 shall prevail in case of conflict with the other provisions of this Plan and cannot be changed by the Board of Directors or the Committee, pursuant to the provision set forth in Section 3.5.

15.1.2 The rules set forth in this Plan or in any of the Programs that are pegged to targets or performance assessment are not applicable to the Grant to the Board.

15.1.3 The members of the Board of Directors who are Participants in any of the Programs and/or in any other form of granting Restricted Shares under this Plan, whether due to other positions held in the Company or its subsidiaries or for any other reason, will not be entitled to the Restricted Shares under the Grant to the Board.

15.1.4 Since, pursuant to the provisions set forth in Section 3.5, the Committee shall not be entitled to determine, nor may it change the rules concerning the Grant to the Board, and the Board of Executive Officers shall competent to implement the Grant to the Board

pursuant to this Plan as approved by the General Meeting, there is no bar to the participation of the beneficiaries of the Grant to the Board in discussions within the Committee regarding this Plan or any Program or Agreement, provided the terms of Section 3.3. are complied with.

15.2 The members of the Board of Directors elected by the General Meeting from 2022, from the General Meeting that elects them for their respective positions, or from another date determined by the General Meeting, are eligible to take part in the Grant to the Board.

15.2.1 The members that may be appointed by the Board of Directors itself will also be eligible in the event of vacancy.

15.3 Subject to the provided for in Chapter 8, a number of Restricted Shares equivalent to 20% of the total fixed compensation of each member of the Board of Directors shall be granted at the beginning of each 12-month period counted from the date of election of the members of the Board of Directors ("**Year in Office**"), to each member of the Board of Directors, subject to the global compensation limit approved at the General Meeting and the establishment of the individual compensation of the management members approved by the Board of Directors.

15.3.1 The director that may appointed by the Board of Directors during the Year in Office will be granted Restricted Shares, subject to the eligibility criterion provided for in Section 15.2.1, at the beginning of the exercise of the corresponding term of office.

15.3.2 The Board of Executive Officers shall be responsible for the measures to grant the Restricted Shares to the members of the Board of Directors, including the preparation and execution of the corresponding Agreements with the respective Participants, which shall comply, as applicable, with the general provisions of this Plan and the Agreements approved by the Committee regarding the Programs.

15.3.3 Grants to the Board shall be made annually at the beginning of each Year in Office.

15.3.4 The Restricted Shares will be transferred to the members of the Board of Directors after 2 years counted from the end of the respective term of office, subject to the cases provided for in Section 15.4 below.

15.3.5 In the granting of Restricted Shares to the members of the Board of Directors, the provisions of Chapters 8 and 13 of this Plan shall apply *mutatis mutandis*.

15.4 In the event of Termination of a member of the Board of Directors, the provisions set forth in the subitems of this Section 15.4 shall apply, to the detriment of the provisions of Clauses 11 and 12 and other provisions of this Plan that could be applicable.

15.4.1 In the event a director may resign on his/her own initiative, the right to receive all Restricted Shares not yet assigned to the respective director shall immediately expire with no indemnification. For the purposes of clarity, the director will keep his/her right of ownership over any Restricted Shares that are held by him/her at the time of the Termination, subject to the period provided for in Section 15.3.4 above.

15.4.2 Provided that any non-competition agreement signed between the member of the Board of Directors and the Company is complied with, in case of Termination of a directors at the initiative of the Company, said director shall (i) receive, observing the transfer period provided for in Section 15.3.4 above, the number of Restricted Shares granted in the Years of Office already ended prior to the Termination; (ii) receive, observing the transfer period provided for in Section 15.3.4 above, the pro rata amount of Restricted Shares granted in the Year in Office in which the Termination takes place. In this case, the count of the transfer period will be made as if the Termination had not taken place, that is, the share will be transferred after two years from the date on which the respective term of office would take place.

15.4.3 In the event the term of office is terminated without re-election, the director shall be entitled to receive all Restricted Shares granted during the respective term of office ended, subject to the period provided for in Section 15.3.4 above.

15.4.4 In the event the term of office is terminated due to death, absence declared by a court of law, or permanent disability of the director, all Restricted Shares granted that have not yet been delivered to the director on the date of the event will be transferred to the director or his/her heirs and successors, as the case may be, within 180 (one hundred and eighty) days from the event at issue or the date of sharing of the Restricted Shares, as applicable, in the form of a

testamentary provision, as may be established in the letters of administration or in the competent court order.

16 EFFECTIVE DATE AND TERMINATION OF THE PLAN

16.1 The Plan, as amended, becomes effective on the date of its approval by the Company's General Meeting and will remain in force until December 14, 2025, the final term of the Share-based Incentive and Retention Plan approved at the General Meeting held on December 15, 2015 and amended on April 5, 2018 and on April 18, 2019 (“ILP 2015” or “Plan 2”) that was replaced by this Plan. The Agreements entered based on the Plan will remain in force until the obligations agreed therein are met, even if for such purpose the corresponding effectiveness extends beyond the final term of the effectiveness set forth for the Plan herein.

16.2 In the event of dissolution, conversion, merger, consolidation, spin-off or reorganization of the Company, whereby the Company is not the surviving company or, if it is the surviving company, it does not have its shares accepted to be traded in stock exchanges anymore, the effective Agreements, at the Committee's discretion with respect to the Programs, or the General Meeting, with regard to the Restricted Shares granted under the Grant to the Board, may: (i) be transferred to the new company; or (ii) have their Vesting Periods accelerated, as applicable.

17 COMPLEMENTARY PROVISIONS

17.1 Any right to receive Restricted Shares in accordance with this Plan is subject to all terms and conditions set forth herein. Such terms and conditions prevail in case of inconsistencies with the provisions of any agreement or other document mentioned in this Plan.

17.2 Except as regards the provisions set forth in Chapter 15, to the best interests of the Company and its shareholders, the Committee may either terminate or discontinue the Plan, or even, revise the Plan conditions, provided this does not change its basic principles, especially the maximum limits to transfer Restricted Shares as approved by the General Meeting. The General Meeting may also approve a new incentive plan based on the Company's shares, also to allow the acquisition of shares that exceed the maximum limits approved in this Plan.

17.3 The Committee may also, exclusively regarding the Programs, establish a particular treatment for special cases and situations during the effective term of the Plan, and it can also decide to grant additional Restricted Shares, provided this does not affect the rights already granted to the Participants and complies with the quantitative limit set forth in Section 7.1. Such

particular treatment will not be deemed as a precedent able to be claimed by other Participants.

- 17.4 The cases omitted in this Plan shall be governed by the Committee, except for the Grants to the Board, for which, if there is an omission, the General Meeting must necessarily be heard.
