

SIGNAL ADVANCE, INC.
2019 ANNUAL SHAREHOLDERS' MEETING MINUTES
29 OCTOBER 2019

The meeting is called to order at 10:01 AM.

Officers/Directors in Attendance: Chris Hymel, Richard Seltzer, Ron Stubbers, Malcolm Skolnick.

Reading of the Minutes of the previous annual shareholders' meeting was waived by majority vote.

Dr. Hymel presided as the Chairman of the Meeting and introduced the directors/officers in attendance.

Dr. Skolnick was appointed Secretary of the Meeting

Dr. Hymel was appointed as Inspector of Elections for the Meeting.

Attestation was made as to the delivery, to the email or mailing addresses of record, commencing on or about October 15, 2019, of the following materials relating to this Annual Meeting to all stockholders of record of common stock of the Company as of the close of business on the Record Date - incorporated herein by reference. The following items establishing such notice are to be filed with the Company's corporate records:

- 1) A list of the holders of Common Stock of the Company as of the close of business on the Record Date of October 1, 2019, provided by Nevada Agency and Transfer Company, the Company's transfer agent;
- 2) Notification of the 2019 Meeting dated October 5, 2019;
- 3) The Company's Proxy for all holders of record of common stock of the Company as of the close of business on the Record Date;
- 4) Minutes of the 2018 Annual Shareholders' Meeting;
- 5) The Company's Annual Report to Stockholders;

Dr. Hymel confirmed that properly executed proxies, received timely, were examined and, in conjunction with the shares represented by attendees, a total of 12,255,765 shares of the Company's common stock (73.9% of a total of 16,583,557 issued and outstanding shares) were represented at the Meeting, constituting a quorum.

The order of business for the Meeting:

- 1) To elect four Directors to serve for the coming year & until successors are elected.
- 2) To ratify the selection by Board of Directors of independent auditors for the fiscal year ending December 31, 2019/20.
- 3) To authorize the board to amend the Articles of Formation to increase the authorized shares from 100,000,000 to 200,000,000.
- 4) To ratify all proceedings of the corporation and actions of the Officers since the last shareholders' Meeting.
- 5) To approve minutes of previous annual shareholders' meeting.

The five proposals and the voting standards for approval of the proposals were presented as follows:

For Proposal 1, the election of Directors, the four persons receiving the greatest numbers of votes would be elected Directors of the Company.

Proposals 2, 4 and 5 would be adopted if approved by the affirmative vote of a majority (>50%) of the shares of the Company's stock represented and voting at the Meeting.

Proposal 3 would be adopted if approved by the affirmative vote of at least 2/3's (>66.7%) of the shares of the Company's stock represented and voting at the Meeting.

The polls were then declared open.

Meeting was opened for discussion of the proposals followed by voting.

Polls closed following discussion and voting.

Dr. Hymel summarized the Company's current state, alternatives for continuing operations, the Company reorganization, the near and far-term challenges as well as progress made since the previous shareholders' meeting. Discussions included the following:

- 1) An update on repairs to the Company office that resulted from flooding due to Hurricane Harvey, including improvements to mitigate the probability of future damage.
- 2) The Neural Training (NT) project. The project was moved back under the Company from Biodyne Development, LLC following the death of the venture partner, Harold Russell, Ph.D. The impact of the transition on the Company's financial reports is under review as it regards the Company's equity in the venture. To date, the Company is not yet aware of a beneficiary of Dr. Russell's estate, which includes equity in the Company.
- 3) The share exchange agreement and Company reorganization. Discussion included the qualifications for the issuance of shares in the new parent company Signal Advance Technologies, Inc. (SAT) to existing shareholders. Immediately following the transaction, the qualified shareholders of Signal Advance, Inc. (SA) own 100% of SAT equity and exercise 100% of the voting control while retaining their current equity in SA. In exchange, SAT acquired just over 80% (75M shares) of the equity of SA.

Dr. Hymel also discussed the protracted FINRA review that delayed the transaction closing, public announcement of the exchange agreement, stock issuances as well as the correction of the record date.

- 4) Reorganization tax considerations. Dr. Hymel reviewed the applicable Internal Revenue Codes as it relates to the consolidation of the financial reports of the subsidiary (SA) and the parent (SAT).
- 5) Defense application for SA technology. An undisclosed third-party has expressed a keen interest in a joint venture to investigate potential defense-related applications for SA technology- in particular with respect to targeting and guidance systems. A non-compete, non-circumvention and non-disclosure agreement has been executed with an outside party interested in potential defense applications.
- 6) Cyber-security application for SA technology. The Company is considering a potential joint venture for the development of an analog cyber-security application for its technology. Non-disclosure, non-compete and non-circumvention agreements are being secured with to a third group interested in the use of SA technology for a cyber-security application.
- 5) The need to update business plans based on recent increases in available capital resulting from the reorganization under Signal Advance Technologies, Inc.
- 6) A new intellectual property (IP) license agreement with the parent company (SAT) that includes a sub-license of the IP to SA (now a majority-owned subsidiary) to replace the current (expired) agreement. The parent-subsiary license arrangement for SA technology will be a model for subsidiaries pursuing specific SA applications while protecting the IP at the parent level.
- 7) Intellectual Property. Dr. Hymel provided an update regarding the Company's patent portfolio. The India patent office granted a patent on SA technology in August of this year. To date, patents have been granted in the U.S. China, Mexico, India and Europe. In Europe, the patent was validated in the United Kingdom, France, Germany, Ireland, Italy, Spain, Switzerland & Liechtenstein.
- 8) A new consulting agreement with SA that accommodates Dr. Hymel's dual roles in SA and SAT.

Meeting opened again for general questions and comments.

Set forth below are the matters acted upon by the shareholders at the Annual Meeting, and the final voting results of each proposed resolution.

1. Election of Directors

The shareholders elected four directors to serve as directors. The results of the vote were as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Chris Hymel	12,255,765	-0-	-0-
Richard Seltzer	12,255,765	-0-	-0-
Ron Stubbers	12,255,765	-0-	-0-
Malcolm Skolnick	12,255,765	-0-	-0-

2. To ratify the appointment of LBB and Associates, Ltd, LLP, as needed, as the Company's independent registered public accountant for fiscal years 2019/20.

The results of the vote were as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
	12,255,765	-0-	-0-

3. To authorize the board to amend the Articles of Formation to increase the authorized shares from 100,000,000 to 200,000,000.

The results of the vote were as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
	12,255,765	-0-	-0-

4. To ratify all proceedings of the corporation and actions of the Officers since the last shareholders' Meeting

The results of the vote were as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
	12,255,765	-0-	-0-

5. To approve minutes of previous annual shareholders' meeting

The results of the vote were as follows:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>
	12,255,765	-0-	-0-

Note that the 12,255,765 votes for resolution 3 (increase the authorized shares from 100,000,000 to 200,000,000) represents 73.9% of the total issued and outstanding shares of the Company. In the State of Texas, a 2/3's (66.7%) vote is required for such corporate actions.

The shareholder's meeting was adjourned at 10:28 AM.

A Meeting of the Board of Directors was called immediately thereafter to appoint officers.

The results are as follows:

Dr. Hymel was appointed President/Treasurer and CEO

Dr. Skolnick was appointed Secretary.

Mr. Stubbers was appointed Vice-President

Respectfully submitted


Chris M Hymel, CEO

October 29, 2019