

**SIGNAL ADVANCE, INC.**  
**2020 ANNUAL SHAREHOLDERS' MEETING MINUTES**  
**13 JULY 2020**

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.

Mr. Seltzer 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 June 18, 2020, 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 June 15, 2020 provided by Nevada Agency and Transfer Company, the Company's transfer agent;
- 2) Notification of the 2020 Meeting dated June 15, 2020 including a Company update.
- 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 2019 Annual Shareholders' Meeting;
- 5) A Final draft of the Merger Agreement between Signal Advance, Inc. and Signal Advance Technologies, Inc.

Dr. Hymel confirmed that properly executed proxies, received timely, were examined and, in conjunction with the shares represented by attendees, a total of 87,981,307 shares of the Company's common stock (95.93% of a total of 91,716,057 issued and outstanding shares) were represented at the Meeting, constituting a quorum.

The order of business for the Meeting:

For Signal Advance, Inc. (SA):

- 1) To elect four Directors to serve for the coming year & until successors are elected.
- 2) To ratify all proceedings of the corporation and actions of the Officers since the last shareholders' Meeting.
- 3) To approve minutes of previous annual shareholders' meeting.
- 4) To authorize the Board to execute a Merger agreement by and between Signal Advance, Inc. and Signal Advance Technologies, Inc.

The 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.

For Proposal 2, ratification of Corporation actions, 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.

For Proposal 3, previous Annual shareholders' Meeting minutes would be approved by the affirmative vote of a majority (>50%) of the shares of the Company's stock represented and voting at the Meeting.

For Proposal 4, the State of Texas requires an affirmative vote of a minimum of 2/3's of the total shares outstanding to proceed with such a Corporate Action – thus Proposal 4 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, capital funding for continuing operations, the Company reorganization/merger, the relationship with the majority-owned subsidiary, PIC Pocket, LLC (to develop defense applications), Analog Guard subsidiary (to develop analog encryption), the near and far-term challenges and progress made since the previous shareholders' meeting. Discussions included the following:

- 1) An update on Company office repairs – move-in this summer.
- 2) The Neural Training (NT) project – on hold for the near-term to pursue other opportunities.
- 3) The previous share exchange agreement and Company reorganization. Discussion included the issuance of shares in the new parent company Signal Advance Technologies, Inc. (SAT) to existing shareholders. Immediately following the transaction resulting in the shareholders of Signal Advance, Inc. (SA) owning 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 Code as it relates to the consolidation of the financial reports of the subsidiary (SA) and the parent (SAT).
- 5) Defense application for SA technology. As early as 4<sup>th</sup> quarter, current commitments will end and the PIC principal anticipates beginning to investigate the use of SA technology for defense application. PIC principal has significant contacts and experience with several DOD groups. Although revenues generated through the PIC subsidiary will be reported in the Company's post-merger consolidated financials, the funds will stay in the subsidiary - earmarked for defense application development.
- 6) Cyber-security application for SA technology. The Company has setup a new corporation as a wholly-owned subsidiary to develop analog encryption technology for enhanced cyber-security protection. This means of encryption is based in the integration of multiple simultaneous modulation methodologies including a method termed "temporal modulation" that exploits our proprietary SA technology. Non-disclosure, non-compete and non-circumvention agreements have been executed. A Private Placement Memorandum (PPM) is being finalized to seek \$10M in capital to pursue the development of the analog encryption technology.
- 7) Merger agreement. Per the terms of the Merger agreement, the contractual obligations/liabilities and assets of Signal Advance Technologies, Inc. (SAT) transfer to the merger survivor, Signal Advance, Inc. the public entity. These include the consulting (Dr. Hymel) and intellectual property (IP) license agreements as well as the patents, trademarks, etc. SA will subsequently sub-license the intellectual property to PIC and Analog Guard. In addition, the merger resulted in no SA shareholder experiencing greater than 50% dilution. In addition, Signal Advance Technologies, Inc. will relinquish the 75M shares of the Common Stock of Signal Advance, Inc. (acquired to the 2019 Share Exchange Agreement) by the transfer of the shares to Signal Advance, Inc. Treasury.
- 8) Intellectual Property. Dr. Hymel provided an update regarding the Company's patent portfolio. Recall that the India patent office granted a patent on SA technology in 2019. 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. In addition, a trademark application for the term "ANALOG GUARD" has been submitted to the USPTO.

The 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	87,981,307	-0-	-0-
Richard Seltzer	87,703,807	-0-	277,500
Ron Stubbers	87,703,807	-0-	277,500
Malcolm Skolnick	87,703,807	-0-	277,500

**2. To approve the minutes of the previous annual shareholders meeting**

The results of the vote were as follows:	<u>For</u>	<u>Against</u>	<u>Abstain</u>
	87,981,307	-0-	-0-

**3. 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>
	87,981,307	-0-	-0-

**4. To authorize the board to execute a merger agreement between Signal Advance Technologies, Inc. and Signal Advance, Inc.**

The results of the vote were as follows:	<u>For</u>	<u>Against</u>	<u>Abstain</u>
	87,981,307	-0-	-0-

Note: The 87,981,307 votes for resolution 4, regarding the execution of a merger between Signal Advance Technologies, Inc. and Signal Advance, Inc., represents 95.93% 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.

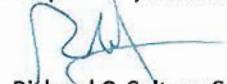
The shareholder's meeting was adjourned at 10:28 AM.

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
- Mr. Seltzer was appointed Secretary.
- Mr. Stubbers was appointed Vice-President

Respectfully submitted



Richard C. Seltzer, Secretary

July 15, 2020