

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 16 September 2014

BOARD CHANGES AND APPOINTMENT OF SPECIAL ADVISOR

Cardia Bioplastics Limited (ASX: CNN) is pleased to announce the following initiatives, effective immediately.

Board changes

Mr Richard Tegoni will assume the role of Executive Chairman reflecting his continued close involvement with the prioritisation and implementation of Cardia's core business strategy. Mr Tegoni joined the Board as a Non-Executive Director on 21 December 2012 and was appointed Non-Executive Chairman on 18 October 2013. He has been instrumental in the development and implementation of Cardia's finished product strategy and, as Executive Chairman, will continue to take an active role in ensuring timely and successful implementation of the corporate strategy and sound planning for future direction of the business.

This appointment will complement the role of the Managing Director, Mr Frank Glatz, and allow him to devote a stronger focus on the achievement of global commercial and technical milestones.

Mr Gideon Meltzer who joined the Board as a Non-Executive Director on 7 November 2013, has been appointed Chairman of the Remuneration Committee. The Remuneration Committee has been established to ensure that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives.

Appointment of Special Advisor

Mr Michael Poulton has been invited to act as a special advisor to the Board to provide advice in relation to strategic and operational performance. With an extensive career profile at CEO and General Management level, Michael's experience spans a range of key manufacturing industries within the 'Public' and 'Private' business sectors, including, within the Packaging Industry.

He was the founder and Managing Director of the Glenvern Associates in late 1997, and had a strong personal focus on strategic business development/operational performance enhancement working with major corporate clients both domestically and overseas.

Michael retired from his business last year and the Cardia Board members are very pleased to be able to draw on his extensive experience to assist them in managing the future growth of the company.

Review of Directors' Remuneration

Effective 1 October 2014, Directors' remuneration will be amended as follows:

Current remuneration arrangements

Director Name	Title	Total Remuneration - Cash
Mr Richard Tegoni	Non-Executive Chairman	\$15,000
Mr Frank Glatz	Managing Director	\$177,400
Mr Gideon Meltzer	Non-Executive Director	\$12,500
Mr Steven Bendel	Non-Executive Director	\$12,500

New remuneration arrangements – effective 1 October 2014

Director Name	Title	Cash Component	Shares Component*	Total Remuneration**	At Risk Portion (included in Total Remuneration)
Mr. Richard Tegoni	Executive Chairman	\$40,000	\$ 60,000	\$100,000	
Mr Frank Glatz	Managing Director	\$217,400	\$125,000	\$342,400	\$125,000
Mr. Gideon Meltzer	Non-Executive Director	\$24,000	\$ 16,000	\$40,000	
Mr Steven Bendel	Non-Executive Director	\$24,000	\$ 16,000	\$40,000	

** The Share Component is subject to approval of Shareholders at the upcoming 2014 Annual General Meeting. To the extent that Shareholders do not approve the issue of shares, this component of the remuneration will be paid in cash.*

***Total Remuneration does not include staff bonuses, employee share purchase plans or reimbursement of company related expenses, if applicable*

The remuneration changes strike a balance between the Directors' continued support for and commitment to preserve the Company's cash flow during the current growth phase and the ongoing contribution made by Directors, which to date have provided significant time and services at heavily discounted rates.

Richard Tegoni

Chairman

Cardia Bioplastics Limited