

UROPLASTY INC  
Form DEFM14A  
February 23, 2015  
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant o

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
  - Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Uroplasty, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

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(4) Date Filed:

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**February 23, 2015**

Dear Shareholders:

The boards of directors of each of Uroplasty, Inc. ( Uroplasty ) and Vision-Sciences, Inc. ( Vision ) have unanimously approved a merger of Uroplasty with and into a newly created, wholly owned subsidiary of Vision, with the newly created subsidiary continuing as the surviving company. The merger will be effected by Uroplasty and Vision under an agreement and plan of merger between them dated as of December 21, 2014. Upon completion of the merger, the combined company will be named Cogentix Medical, Inc. and organized under the laws of Delaware. The combined company will have its headquarters in Minnetonka, Minnesota, the location of Uroplasty's current headquarters.

In the merger, each Uroplasty share of common stock will be converted into the right to receive 3.6331 shares of Vision common stock. This exchange ratio is fixed and will not be adjusted to reflect share price changes prior to the closing of the merger. The exchange ratio will be adjusted appropriately to fully reflect the effect of any reclassification, stock split, stock dividend or distribution, recapitalization or other similar transaction with respect to either the Uroplasty shares or Vision shares prior to the completion of the merger, including the reverse stock split contemplated by *Vision Proposal No. 4—Approval of an Amendment to the Amended and Restated Certificate of Incorporation to Effect a Reverse Stock Split*. Vision shareholders will continue to own their existing Vision shares of common stock. Upon completion of the merger, Uroplasty shareholders will own approximately 62.5% of the combined company and the Vision shareholders will own approximately 37.5%. Based on the number of Uroplasty and Vision shares outstanding as of February 20, 2015, we expect that the total number of Vision shares to be issued in connection with the merger will be approximately 80.4 million.

Vision shares currently trade on NASDAQ under the symbol VSCI and Uroplasty shares currently trade on NASDAQ under the symbol UPI. In connection with the closing of the merger, Uroplasty shares will be delisted from NASDAQ and deregistered under the federal securities laws, and shares of common stock of the combined company will trade under the symbol CGNT.

We cannot complete the merger unless a sufficient number of Uroplasty shareholders and Vision shareholders approve the merger agreement and the transactions contemplated thereby, including the merger and the other related proposals being submitted to the Uroplasty shareholders and Vision shareholders. **Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the Uroplasty or Vision special shareholder meetings in person, please vote your shares as promptly as possible so that your shares may be represented and voted at your meeting.** Please note that a failure to vote your shares or return your proxy card may result in a failure to establish a quorum for the Uroplasty special meeting or the Vision special meeting.

After careful consideration, the boards of directors of each of Uroplasty and Vision have unanimously approved the merger agreement and the merger. **The Uroplasty board of directors unanimously recommends that Uroplasty shareholders vote FOR each of the proposals being submitted to a vote of the Uroplasty shareholders at the Uroplasty special meeting. The Vision board of directors unanimously recommends that Vision shareholders vote FOR each of the proposals being submitted to a vote of the Vision shareholders at the Vision special meeting.**

The obligations of Uroplasty and Vision to complete the merger are subject to the satisfaction or waiver of the conditions in the merger agreement. Additional information about Uroplasty, Vision and the merger is contained in the accompanying joint proxy statement/prospectus. **You should read the entire joint proxy statement/prospectus**

**carefully. In particular, we urge you to read the information under *Risk Factors* beginning on page 21.**

We thank you for your consideration and continued support.

Sincerely,

Robert Kill  
President and Chief Executive Officer  
Uroplasty, Inc.

Howard I. Zauberman  
President and Chief Executive Officer  
Vision-Sciences, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the joint proxy statement/prospectus or determined that the joint proxy statement/prospectus and is accurate or complete. Any representation to the contrary is a criminal offense.**

This document is dated February 23, 2015, and is first being mailed to shareholders of Uroplasty and Vision on or about February 26, 2015.

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**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the SEC) by Vision, constitutes a prospectus of Vision under Section 5 of the Securities Act of 1933, as amended (the Securities Act), with respect to the Vision shares of common stock to be issued to Uroplasty shareholders in connection with the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Uroplasty and Vision under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act). This joint proxy statement/prospectus also constitutes a notice of meeting with respect to the special meeting of Uroplasty shareholders and a notice of meeting with respect to the special meeting of Vision shareholders.

**You should rely only on the information contained in this joint proxy statement/prospectus.** No one has been authorized to provide you with information that is different from that contained in this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated February 23, 2015. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. Neither the mailing of this joint proxy statement/prospectus to Uroplasty shareholders or Vision shareholders nor the issuance by Vision of shares of common stock pursuant to the merger will create any implication to the contrary.

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Uroplasty has been provided by Uroplasty and information contained in this joint proxy statement/prospectus regarding Vision has been provided by Vision.**

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**Uroplasty, Inc.  
5420 Feltl Road  
Minnetonka, Minnesota 55343**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON March 30, 2015**

**MERGER PROPOSAL—YOUR VOTE IS VERY IMPORTANT**

To the shareholders of Uroplasty, Inc.:

You are cordially invited to attend a special meeting of shareholders of Uroplasty, Inc., a Minnesota corporation, to be held at Uroplasty's corporate headquarters, located at 5420 Feltl Road, Minnetonka, Minnesota 55343, on March 30, 2015, at 9:00 a.m., Minneapolis time. The purpose of the meeting shall be to consider and vote upon the following matters:

1. to approve the agreement and plan of merger, dated as of December 21, 2014, among Uroplasty, Inc., Vision-Sciences, Inc., and Visor Merger Sub LLC, a copy of which is attached as Annex A to the joint proxy statement/prospectus accompanying this notice, and approve the merger of Uroplasty, Inc. with and into Visor Merger Sub LLC, with Visor Merger Sub LLC as the surviving company and a direct, wholly-owned subsidiary of Vision-Sciences, Inc.; and
2. to approve any motion to adjourn the special meeting, or any adjournment thereof, to another time or place if necessary or appropriate to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement and approve the transactions contemplated thereby.

Shareholders also will consider and act on such other business as may properly come before the special meeting or any adjournment or postponement thereof.

**THE UROPLASTY BOARD OF DIRECTORS RECOMMENDS THAT UROPLASTY  
SHAREHOLDERS VOTE FOR EACH OF THE PROPOSALS.**

The above matters, the merger agreement and the proposed merger are described in detail in the accompanying joint proxy statement/prospectus. Please read the joint proxy statement/prospectus carefully in deciding how to vote.

The record date for the Uroplasty special meeting is February 20, 2015. Only holders of record of Uroplasty shares at the close of business on the record date are entitled to notice of, and to vote at, the Uroplasty special meeting, or any adjournment or postponement thereof.

Adoption of the merger agreement and approval of the proposed merger by Uroplasty shareholders is a condition to the merger and requires the affirmative vote, in person or by proxy, of holders of a majority of the Uroplasty shares outstanding and entitled to vote thereon. Therefore, your vote is very important. Your failure to vote your shares will have the same effect as a vote against the adoption of the merger agreement and approval of the proposed merger. **Whether or not you plan to attend the special meeting, please promptly vote your Uroplasty shares by calling the toll-free number found on your proxy card, accessing the internet site found on your proxy card, or by marking, dating, signing and returning all proxy cards you receive. By providing your proxy, you do not**

**restrict your right to vote in person at the Uroplasty special meeting.** If your Uroplasty shares are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction form furnished by the record holder.

Do not send any Uroplasty share certificates at this time. If we complete the merger, we will notify you of the procedures for exchanging your share certificates for shares of common stock of the combined entity.

By Order of the Board of Directors,

Brett Reynolds  
*Senior Vice President, Chief Financial Officer and  
Corporate Secretary*

Minnetonka, Minnesota  
February 23, 2015

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**Vision-Sciences, Inc.**  
**40 Ramland Road South**  
**Orangeburg, New York 10962**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**To Be Held On March 30, 2015**

To the shareholders of Vision-Sciences, Inc.:

We are pleased to invite you to attend the special meeting of shareholders of Vision-Sciences, Inc. ( Vision ), which will be held at Vision's corporate headquarters, 40 Ramland Road South, Orangeburg, New York 10962, on March 30, 2015, at 10:00 a.m., local time, to consider and act upon the following matters:

- Proposal 1: To approve (a) the agreement and plan of merger, dated as of December 21, 2014, among Vision, Uroplasty, Inc. ( Uroplasty ) and Visor Merger Sub LLC, a direct wholly-owned subsidiary of Vision ( Merger Sub ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part, which provides, among other things, for the merger of Uroplasty with and into Merger Sub and the conversion of each share of Uroplasty common stock outstanding immediately prior to the merger into the right to receive 3.6331 shares of common stock of Vision, and (b) the issuance of shares of Vision's common stock in connection with the merger.
- Proposal 2: To approve, on an advisory basis, specified compensatory arrangements between Vision and its named executive officers relating to the merger, as disclosed in the accompanying joint proxy statement/prospectus pursuant to the rules of the Securities and Exchange Commission.
- Proposal 3: To approve an amendment to Vision's Amended and Restated Certificate of Incorporation to change the name of the company from Vision-Sciences, Inc. to Cogentix Medical, Inc. effective as of the effective time of the merger.
- Proposal 4: To approve an amendment to Vision's Amended and Restated Certificate of Incorporation to effect a reverse split of Vision's common stock.
- Proposal 5: To approve an amendment to Vision's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 100,000,000 to 275,000,000 effective as of the effective time of the merger if the reverse stock split is not approved.
- Proposal 6: To approve the Cogentix Medical, Inc. 2015 Omnibus Incentive Plan effective as of the effective time of the merger.
- Proposal 7: To approve amendments to all of the convertible promissory notes and warrants held by Lewis C. Pell, the Chairman of the Vision board of directors.
- Proposal 8: To approve the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals.

**VISION'S BOARD OF DIRECTORS RECOMMENDS VOTING**  
**FOR EACH OF THE PROPOSALS.**

The above matters, the merger agreement and the proposed merger are described in detail in the accompanying joint proxy statement/prospectus. Please read the joint proxy statement/prospectus carefully in deciding how to vote.



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All Vision shareholders are cordially invited to attend the special meeting. Only those shareholders of record at the close of business on February 20, 2015 are entitled to notice of and to vote at the special meeting and any postponements or adjournments thereof. A complete list of shareholders entitled to vote at the special meeting will be available for inspection by any shareholder at the special meeting and during normal business hours at Vision's corporate headquarters during the 10-day period immediately prior to the date of the special meeting.

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Approval of each of Proposals 1, 3 and 7 (if required by NASDAQ) and either Proposal 4 or 5 by the shareholders of Vision are conditions to the completion of the merger. The affirmative vote, in person or by proxy, of a majority of the shares of Vision's common stock voting on Proposals 1, 2, 6, 7 and 8 is required for approval of such Proposals. The affirmative vote, in person or by proxy, of a majority of Vision's common stock outstanding and entitled to vote is required for Proposals 3, 4 and 5. Therefore, your vote is very important. Whether or not you plan to attend the special meeting, please promptly vote you shares in one of the manners by (i) visiting the internet site listed on the proxy card, (ii) calling the toll-free number listed on the proxy card or (iii) submitting your proxy card by mail by using the provided self-addressed, stamped envelope. Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs.

By Order of the Board of Directors,

Lewis C. Pell, Chairman  
Orangeburg, New York  
February 23, 2015

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References to the *merger agreement* refer to that certain agreement and plan of merger, dated as of December 21, 2014, among Uroplasty, Vision, and Merger Sub. References to the *merger* refer to the merger of Uroplasty with and into Merger Sub, with Merger Sub surviving as the surviving company and as a direct, wholly-owned subsidiary of Vision as contemplated under the merger agreement.

References to *Uroplasty common stock* or *Uroplasty shares* refer to common stock, par value \$0.01 per share, of Uroplasty, and references to *Uroplasty shareholders* refer to holders of Uroplasty shares.

References to *Vision common stock* or *Vision shares* refer to shares of common stock, par value \$0.01 per share, of Vision, and references to *Vision shareholders* refer to holders of Vision shares.

Uroplasty owns or has rights to various trademarks, trade names or service marks, including *Urgent PC*<sup>®</sup> *Neuromodulation System* and *Urgent*<sup>®</sup> for its neuromodulation product, *Macroplastique*<sup>®</sup> *Implants* for its urological tissue bulking products, *VOX*<sup>®</sup> for its otolaryngology tissue bulking products, *PTQ*<sup>®</sup> for its colorectal tissue bulking and *Uroplasty*<sup>®</sup> for its company name.

Vision owns or has rights to various trademarks, trade names or service marks, including *Vision Sciences*<sup>®</sup>, *EndoSheath*<sup>®</sup>, *Slide-On*<sup>®</sup>, *EndoWipe*<sup>®</sup> and *The Vision System*<sup>®</sup>.

All other trademarks or trade names referred to in this joint proxy statement/prospectus are the property of their respective owners.

Unless specifically noted otherwise, the discussion in this joint proxy statement/prospectus does not reflect adjustments necessary to fully reflect the effect of the reverse stock split contemplated by *Vision Proposal No. 4—Approval of an Amendment to the Amended and Restated Certificate of Incorporation to Effect a Reverse Stock Split*. For example, all references in this joint proxy statement/prospectus to the exchange ratio of 3.6331 Vision shares for each Uroplasty share, including the aggregate number of Vision shares to be issued to Uroplasty shareholders in connection with the merger, and all references to the number of outstanding Vision shares or Vision shares available for issuance under Vision equity-based plans, are made before taking into account the effect of the proposed reverse stock split. Specifically, the 12,500,000 Vision shares proposed to be available for issuance under the Cogentix Medical, Inc. 2015 Omnibus Incentive Plan subject to *Vision Proposal No. 6—Cogentix Medical, Inc. 2015 Omnibus Incentive Plan*, would be reduced to fully reflect the effect of the proposed reverse stock split if the reverse stock split is effected prior to the closing of the merger.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND MEETINGS**

*Set forth below are questions that you, as a Uroplasty shareholder or a Vision shareholder, may have regarding the merger and the other matters to be considered at the special meeting of shareholders of Uroplasty or the special meeting of shareholders of Vision and the answers to those questions. Uroplasty and Vision urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters to be considered at such meetings. Additional important information is also contained in the Annexes to this joint proxy statement/prospectus.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

A: Uroplasty is soliciting a proxy from holders of Uroplasty shares and Vision is soliciting a proxy from holders of Vision shares to approve a strategic business combination of Uroplasty and Vision and related matters. On December 21, 2014, Uroplasty, Vision, and Merger Sub entered into a merger agreement, pursuant to which Uroplasty will merge with and into Merger Sub, with Merger Sub as the surviving company and a direct, wholly-owned subsidiary of Vision. Upon completion of the merger, Uroplasty shareholders will receive Vision shares in exchange for their Uroplasty shares.

**Q: What are the proposals on which I am being asked to vote?**

A: *Uroplasty:* At the special meeting of Uroplasty shareholders, Uroplasty shareholders will vote upon proposals to:

- approve the merger agreement and the transactions contemplated thereby, including the merger; and adjourn the Uroplasty special meeting, or any adjournment thereof, to another time or place if necessary or
- appropriate to solicit additional proxies if there are insufficient votes at the time of the Uroplasty special meeting to approve the merger agreement and the transactions contemplated thereby.

The Uroplasty board of directors unanimously recommends that Uroplasty shareholders vote their Uroplasty shares **FOR** approval of each of the above proposals.

*Vision:* At the special meeting of Vision shareholders, Vision shareholders will vote upon proposals to approve the following:

- the merger agreement and the transactions contemplated thereby and the issuance of Vision shares;
- on an advisory and non-binding basis, specified compensatory arrangements between Vision and its named executive officers relating to the merger;
- an amendment to Vision's Amended and Restated Certificate of Incorporation to change Vision's name to Cogentix Medical, Inc. at the effective time of the merger;
- an amendment to Vision's Amended and Restated Certificate of Incorporation to effect a reverse split of Vision common stock;
- an amendment to Vision's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of Vision common stock in connection with the merger if the reverse stock split is not approved;
- the Cogentix Medical, Inc. 2015 Omnibus Incentive Plan to be effective at the effective time of the merger;
- amendments to all of the convertible promissory notes and warrants held by Lewis C. Pell, effective at the effective time of the merger; and
- the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals.

The Vision board of directors unanimously recommends that Vision shareholders vote their Vision shares **FOR** approval of each of the above proposals.

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**Q: What will I receive in the merger?**

At the effective time, each Uroplasty share will be cancelled and converted into the right to receive 3.6331 Vision shares, subject to adjustment to fully reflect the effect of any reclassification, stock split, stock dividend or distribution, recapitalization or other similar transaction with respect to either the Uroplasty shares or Vision shares prior to the completion of the merger, including the reverse stock split contemplated by *Vision Proposal No. 4—Approval of an Amendment to the Amended and Restated Certificate of Incorporation to Effect a Reverse Stock Split*. In addition, as of immediately prior to the effective time, (1) each option to acquire Uroplasty shares that is then outstanding will be exchanged for an option to acquire, on the same terms and conditions as were applicable to the option prior to the merger, that number of Vision shares that is equal to the product of the number of Uroplasty shares subject to the option multiplied by 3.6331, rounded down to the nearest whole number of Vision shares, at an exercise price per Vision share of common stock equal to the quotient obtained by dividing the per share exercise price of the Uroplasty option by 3.6331, rounded up to the nearest whole cent, (2) each Uroplasty restricted share that is then outstanding will be exchanged and be converted, on the same terms and conditions as were applicable to such restricted share, prior to the merger into the right to receive that number of restricted Vision shares that is equal to the product of the total number of Uroplasty shares underlying such Uroplasty restricted share immediately prior to the effective time multiplied by 3.6331, and (3) each Uroplasty performance award that is then outstanding will be adjusted such that (i) the Uroplasty performance award becomes payable, on the same terms and conditions as were applicable to such performance award prior to the merger, in cash or, if sufficient cash is unavailable, in Vision shares and (ii) each stock price target under such performance award will be equal to the quotient obtained by dividing the stock price target of such performance award by 3.6331, rounded up to the nearest whole cent.

No fractional shares will be issued in connection with the merger. Any Uroplasty shareholder who would otherwise be entitled to receive a fraction of a Vision share of common stock pursuant to the merger will be paid an amount in cash determined in accordance with the amount of their fractional share interest, instead of such fractional share.

Vision shareholders will not receive any merger consideration and will continue to hold their Vision shares after giving effect to the merger.

**Q: What is the value of the merger consideration?**

Because Vision will issue a fixed number of Vision shares in exchange for each Uroplasty share, the market value of the merger consideration that Uroplasty shareholders will receive will depend on the price per Vision share at the effective time of the merger. That price will not be known at the time of the Uroplasty special meeting or the Vision special meeting and may be less or more than the current market price or the market price at the time of the shareholder meetings. Based on the closing price on the NASDAQ Capital Market on February 20, 2015, the last practicable trading day prior to the date of this joint proxy statement/prospectus, the value of the 3.6331 Vision shares to be received in respect of each Uroplasty common share was \$1.85.

**Q: Why are Vision shareholders being asked to approve the reverse stock split?**

The primary objective in proposing the reverse stock split proposed by *Vision Proposal No. 4—Approval of an Amendment to the Amended and Restated Certificate of Incorporation to Effect a Reverse Stock Split* is to raise the per share trading price of the Vision shares. The Vision board of directors believes that the reverse stock split would, among other things, help Vision to maintain the listing of its common stock on the NASDAQ Capital Market. The Vision board of directors believes it is necessary to retain discretion whether to implement, and if implemented, the exact ratio of the reverse split within the range of 1 for 4 to 1 for 6 as the Vision board of directors deems it to be in the best interests of Vision. However, the Vision board of directors intends to implement the reverse stock split prior to the effectiveness of the merger to provide a sufficient number of authorized Vision shares to effect the merger.

Unless specifically noted otherwise, the discussion in this joint proxy statement/prospectus does not reflect adjustments necessary to fully reflect the effect of the reverse stock split contemplated by *Vision Proposal No. 4—Approval of an Amendment to the Amended and Restated Certificate of Incorporation to Effect a Reverse Stock Split*.



For example, all references in this joint proxy statement/prospectus to the exchange

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ratio of 3.6331 Vision shares for each Uroplasty share, including the aggregate number of Vision shares to be issued to Uroplasty shareholders in connection with the merger, and all references to the number of outstanding Vision shares or Vision shares available for issuance under Vision equity-based plans, are made before taking into account the effect of the proposed reverse stock split. Specifically, the 12,500,000 Vision shares proposed to be available for issuance under the Cogentix Medical, Inc. 2015 Omnibus Incentive Plan subject to *Vision Proposal No. 6—Cogentix Medical, Inc. 2015 Omnibus Incentive Plan*, would be reduced to fully reflect the effect of the proposed stock split if the reverse stock split is effected prior to the closing of the merger.

**Q: What percentage of the combined company will Uroplasty and Vision shareholders own following the merger?**

Immediately following the merger, the former shareholders of Uroplasty are expected to own approximately 62.5% of the combined company and the pre-merger shareholders of Vision are expected to own approximately 37.5%.

**Q: When and where will the shareholder meetings be held?**

*Uroplasty:* The Uroplasty special meeting will be held at Uroplasty's corporate headquarters, located at 5420 Feltl Road, Minnetonka, Minnesota 55343, on March 30, 2015, at 9:00 a.m., local time.

*Vision:* The Vision special meeting will be held at Vision's principal executive office located at 40 Ramland Road South, Orangeburg, New York 10962, on March 30, 2015, at 10:00 a.m., local time.

**Q: Who is entitled to attend the Uroplasty and Vision meetings?**

*Uroplasty:* All holders of Uroplasty shares as of the record date for the Uroplasty special meeting, or their duly appointed proxies, are invited to attend the Uroplasty special meeting.

*Vision:* All holders of Vision shares as of the record date for the Vision special meeting, or their duly appointed proxies, are invited to attend the Vision special meeting.

**Q: Who is entitled to vote at the Uroplasty and Vision meetings?**

*Uroplasty:* Uroplasty has fixed February 20, 2015 as the record date for the Uroplasty special meeting. If you were a Uroplasty shareholder as of the close of business on that date, you are entitled to vote on matters that come before the Uroplasty special meeting. All votes made by proxy must be received (whether delivered by mail, telephone or internet) no later than 10:59 p.m., Minneapolis time, on March 29, 2015 to be counted.

*Vision:* Vision has fixed February 20, 2015 the record date for the Vision special meeting. If you were a Vision shareholder as of the close of business on such date, you may vote on matters that come before the Vision special meeting. All votes made by proxy must be received (whether delivered by mail, telephone or internet) no later than 11:59 p.m., New York City time, on March 29, 2015 to be counted.

**Q: How many votes do I have?**

*Uroplasty:* You are entitled to one vote for each outstanding Uroplasty share that you owned as of the close of business on the Uroplasty record date. As of the close of business on the Uroplasty record date, there were approximately 22,139,353 outstanding Uroplasty shares.

*Vision:* You are entitled to one vote for each Vision share of common stock that you owned as of the close of business on the Vision record date. As of the close of business on the Vision record date, there were approximately 48,315,387 outstanding Vision shares.

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**Q: How do I vote?**

*Uroplasty:* If you are a registered holder of Uroplasty shares as of the close of business on the record date for the A: Uroplasty special meeting, you may vote in person by attending the meeting or by proxy. You may vote in any of the following ways:

- in person at the Uroplasty special meeting;
- by internet—go to *www.proxyvote.com* and follow the instructions for internet voting as shown on your proxy card. You do not need to return your proxy card if you vote using the internet;
- by telephone—call toll free at (800) 690-6903 and follow the instructions. You do not need to return your proxy card if you vote by telephone; or
- by mail—complete, sign, date and mail the proxy card in the envelope and return it as soon as possible.

All votes made by proxy must be received (whether delivered by mail, telephone or the internet) no later than 10:59 p.m., Minneapolis time, on March 29, 2015 to be counted.

If you are a beneficial owner of Uroplasty shares held in street name, please follow the voting instructions provided by your broker, bank or other nominee that holds your shares by properly completing, signing, dating, and returning the voting instruction form provided to you by your nominee to ensure that your shares are represented at the Uroplasty special meeting.

*Vision:* If you are a registered holder of Vision shares as of the close of business on the record date for the Vision special meeting, you can vote in person by attending such or by proxy. You may vote in any of the following ways:

- in person at the Vision special meeting;
- by internet—go to *www.proxyvote.com* and follow the instructions for internet voting shown on your proxy card. You do not need to return your proxy card if you vote using the internet;
- by telephone—call toll free at (800) 690-6903. You do not need to return your proxy card if you vote by telephone; or
- by mail—complete, sign, date and mail the proxy card in the envelope and return it as soon as possible.

All votes made by proxy must be received (whether delivered by mail, telephone or internet) no later than 11:59 p.m., New York City time, on March 29, 2015 to be counted.

If you are a beneficial owner of Vision shares held in street name, then you will have received this material from your broker or other nominee seeking your instructions as to how you wish your shares to be voted. In that case, follow the procedures specified on your broker's or other nominee's voting instruction form provided to you by your nominee to ensure that your shares are represented at the Vision special meeting.

**Q: My shares are held in street name by my broker, or I am a non-registered shareholder. Will my broker automatically vote my shares for me?**

A: No. If your shares are held through a broker, bank or other nominee, you are considered the beneficial owner of the shares held for you in what is known as street name. You are not the record holder or registered holder of these shares. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your broker, bank or other nominee. As the beneficial owner, unless your broker, bank or other nominee has discretionary authority over your shares, you generally have the right to direct your broker, bank or other nominee as to how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which your broker, bank or other nominee does not have discretionary authority. This is often called a broker non-vote.

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Please follow the voting instructions provided by your broker, bank or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to Uroplasty or Vision or by voting in person at your meeting unless you first provide a proxy from your broker, bank or other nominee.

If you are a Uroplasty shareholder and you do not instruct your broker, bank or other nominee on how to vote your Uroplasty shares, your broker, bank or other nominee will not vote your shares over which they do not have discretionary authority. This broker non-vote will have the same effect as a vote against the proposal to approve the merger agreement and the transactions contemplated thereby, and will have no effect on the proposal to adjourn the Uroplasty special meeting, if necessary or appropriate, to solicit additional proxies if necessary or appropriate.

If you are a Vision shareholder and you do not instruct your broker, bank or other nominee on how to vote your Vision shares, your broker, bank or other nominee will not vote your shares over which they do not have discretionary authority. This broker-non vote will have the same effect as a vote against the proposals to amend Vision's Amended and Restated Certificate of Incorporation, and will have no effect on the other proposals submitted to Vision shareholders.

### **Q: What vote is required to approve each proposal?**

*Uroplasty:* The proposal at the Uroplasty special meeting to approve the merger agreement and the transactions contemplated by it requires the affirmative vote of holders of a majority of the Uroplasty shares outstanding as of the close of business on the record date for the Uroplasty special meeting.

The proposal to approve any motion to adjourn the special meeting, or its adjournment, to another time or place if necessary or appropriate to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger agreement and the transactions contemplated thereby, requires the affirmative vote at least a majority of the Uroplasty shares represented, in person or by proxy, at the special meeting, whether or not a quorum is present.

*Vision:* The affirmative vote of a majority of Vision shares voting at the Vision special meeting is required to approve Proposals 1 (merger agreement and related transactions), 2 (specified compensatory arrangements), 6 (new incentive plan), 7 (amendments to Pell Notes and Warrants) and 8 (adjournment, even if less than a quorum is present). The affirmative vote of a majority of Vision shares outstanding as of the close of business on the record date for the Vision special meeting is required to approve Proposals 3 (name change), 4 (reverse stock split) and 5 (increase in authorized common stock).

### **Q: What will happen if I fail to vote or I abstain from voting?**

*Uroplasty:* If you are a Uroplasty shareholder and fail to vote, fail to instruct your broker, bank or other nominee to vote, or mark your proxy or voting instructions to abstain, this will have the effect of a vote against the proposal to approve the merger agreement and the transactions contemplated thereby.

*Vision:* Failure to vote will have the effect of reducing the number of shares that can be counted towards achieving a quorum. A quorum is required to conduct any business at the special meeting. Abstentions will be treated as being present for purposes of determining the presence or absence of a quorum. Abstentions will have the effect of voting against Proposals 1 (merger agreement and related transactions), 2 (specified compensatory arrangements), 6 (new incentive plan), 7 (amendment to Pell Notes and Warrants) and 8 (adjournment, even if less than a quorum is present). Abstentions will have no effect on the vote with respect to Proposals 3 (name change), 4 (reverse stock split) and 5 (increase in authorized common stock).

### **Q: What will happen if I return my proxy card without indicating how to vote?**

A: If you are a holder of record of Uroplasty shares or a holder of record of Vision shares and sign and return your proxy card without indicating how to vote on any particular proposal, the Uroplasty shares or Vision shares

represented by your proxy will be voted in accordance with the recommendations of the Uroplasty board of directors or the Vision board of directors, as applicable.

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**Q: What constitutes a quorum?**

A: *Uroplasty*: A majority of the outstanding Uroplasty shares entitled to vote at the Uroplasty special meeting must be represented in person or by proxy at the Uroplasty special meeting in order to constitute a quorum for the transaction of business at the Uroplasty special meeting. Abstentions and broker non-votes will be counted as present at the meeting for the purpose of determining whether there is a quorum.

*Vision*: A majority of the outstanding Vision shares entitled to vote at the Vision special meeting must be represented in person or by proxy at the Vision special meeting in order to constitute a quorum for the transaction of business at the Vision special meeting. Abstentions and broker non-votes will be counted as present at the meeting for the purpose of determining whether there is a quorum.

**Q: Can I change my vote after I have returned a proxy or voting instruction card?**

A: Yes.

If you are a record holder of Uroplasty shares as of the close of business on the record date for the Uroplasty special meeting, you may revoke your proxy and change your vote at any time before it is voted at the Uroplasty special meeting by:

- voting again by internet, telephone or mail at a later time before the closing of these voting facilities at 10:59 p.m., Minneapolis time, on March 29, 2015;
- submitting a duly executed proxy card bearing a later date;
- giving a written notice of revocation of the proxy's authority to Uroplasty's Corporate Secretary; or
- if you are a registered shareholder, attending the Uroplasty special meeting and voting in person.

If you are a record holder of Vision shares as of the close of business on the record date for the Vision special meeting, you may revoke your proxy at any time before it is voted at the Vision special meeting by taking any of the following actions:

- delivering written notice of revocation to Vision's Secretary, 40 Ramland Road South, Orangeburg, NY 10962;
- delivering a proxy card bearing a later date than the proxy that you wish to revoke;
- casting a subsequent vote via telephone or internet at a later time; or
- attending the Vision special meeting and voting in person.

**Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of Uroplasty shares?**

A: The merger is intended to be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. Assuming the merger qualifies as a reorganization, a holder of Uroplasty common stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's shares of Uroplasty common stock for shares of Vision common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Vision common stock. You are urged to consult your own tax advisor regarding the particular consequences to you of the merger. For a more complete discussion of the material U.S. federal income tax consequences of the merger, see *Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 120.

**Q: When do you expect the merger to be completed?**

A: We hope to complete the merger as soon as reasonably practicable and expect to complete the merger in the first half of 2015. However, the merger is subject to various conditions, and it is possible that factors outside the control of both companies could result in the merger being completed at a later time, or not at all. See *The Merger Agreement—Conditions to Completion of the Merger* beginning on page 114 and *Risk Factors* beginning on page 21.

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**Q: Are shareholders entitled to appraisal and dissenter's rights?**

*Uroplasty*: Yes. Sections 471 and 473 of the Minnesota Business Corporation Act, or MBCA, entitle any holder of shares of Uroplasty common stock as of the record date for the special meeting of Uroplasty shareholders, in lieu of receiving the merger consideration that such holder would otherwise be entitled to pursuant to the merger agreement, to dissent from the merger and obtain payment in cash for the fair value of Uroplasty shares held by A: the holder. Any shareholder contemplating the exercise of these dissenters' rights should review carefully the provisions of Sections 471 and 473 of the MBCA (copies of which are attached as Annex J to this joint proxy statement/prospectus), particularly the special procedural steps required to perfect such rights. These rights may be lost if the procedural requirements of Section 473 of the MBCA are not fully and precisely satisfied. See *The Merger—Appraisal and Dissenters' Rights* beginning on page 101.

*Vision*: No. Vision shareholders are not entitled to appraisal or dissenter's rights in connection with the merger or any of the other transactions described in this joint proxy statement/prospectus. See *The Merger—Appraisal and Dissenters' Rights* beginning on page 101.

**Q: What do I need to do now?**

Carefully read and consider the information contained in this joint proxy statement/prospectus, including its A: Annexes, then please authorize a proxy to vote your Uroplasty shares or Vision shares as soon as possible so that your shares may be represented at the applicable shareholder meeting.

**Q: Do I need to do anything with my Uroplasty shares or Vision shares now?**

A: No.

*Uroplasty*: After the merger is completed, your Uroplasty shares will be converted automatically into the right to receive 3.6331 Vision shares. You do not need to take any action at the current time.

As soon as possible after the merger, the exchange agent will mail each holder of record of Uroplasty shares a letter of transmittal and instructions for use in surrendering the Uroplasty shares in exchange for Vision shares pursuant to the merger.

*Vision*: You do not need to do anything with your Vision shares in connection with the merger. If the reverse stock split is approved by Vision's shareholders and effected at the discretion of the Vision board of directors, shareholders with Vision shares held in book-entry form or through a bank, broker or other nominee will not be required to take any action and will see the impact of the reverse stock split reflected in their accounts on the effective date of the reverse stock split. In that case, beneficial holders may contact their bank, broker or nominee for more information. Shareholders with Vision shares held in certificate form will be permitted to exchange their stock certificates for book-entry shares representing the Vision shares resulting from the reverse stock split. Shortly after the effective date of the reverse stock split, if any, those shareholders will receive a letter of transmittal and instructions for exchanging their certificates from Vision's exchange agent.

**Q: Who is soliciting my proxy?**

Uroplasty and Vision have jointly retained The Proxy Advisory Group, LLC to assist in their solicitation of proxies and have agreed to pay it a fee of approximately \$25,000, plus administrative disbursement allowance of up to \$3,500, for these services. Uroplasty will pay \$15,000, plus a disbursement allowance up to \$2,500 while A: Vision will pay \$10,000, plus a disbursement allowance of \$1,000. The fees, excluding the disbursement allowance, may be at 50% of the amounts noted depending on the percentage of shareholders supporting the merger.

*Uroplasty*: The Uroplasty board of directors and members of management are soliciting your proxy for use at the Uroplasty special meeting and any adjournment or postponement thereof. All associated costs of the proxy solicitation by Uroplasty will be borne by Uroplasty. In addition to the use of the mail, proxies may be solicited directly by directors, officers and other employees of Uroplasty, without additional remuneration, by personal interview, telephone, facsimile or otherwise. Uroplasty also will supply copies of the proxy solicitation materials to brokerage

firms, banks, and other nominees for the purpose of soliciting

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proxies from the beneficial owners of the shares held of record by such nominees. Uroplasty will request that such brokerage firms, banks, and other nominees forward the proxy solicitation materials to the beneficial owners and will reimburse them for their reasonable expenses.

*Vision:* The Vision board of directors and members of management are soliciting proxies for use at the Vision special meeting and any adjournment or postponement thereof. In accordance with the merger agreement, Vision will pay its own cost of soliciting proxies from its shareholders, including the cost of mailing this joint proxy statement/prospectus. In addition to solicitation of proxies by mail, proxies may be solicited by Vision's officers, directors and regular employees, without additional remuneration, by personal interview, telephone or other means of communication. Vision will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of Vision shares. Vision may reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

**Q: What if I hold shares in both Uroplasty and Vision?**

If you are a shareholder of both Uroplasty and Vision, you will receive two separate packages of proxy materials. A: A vote as a Uroplasty shareholder will not count as a vote as a Vision shareholder, and a vote as a Vision shareholder will not count as a vote as a Uroplasty shareholder. Therefore, please separately vote your Uroplasty shares and Vision shares.

**Q: Who can help answer my questions?**

Uroplasty and Vision shareholders who have questions about the merger or the other matters to be voted on at the A: Uroplasty special meeting or the Vision special meeting or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

The Proxy Advisory Group, LLC  
18 East 41st Street, Suite 2000  
New York, New York 10017  
Telephone: (888) 337-7699

Uroplasty shareholders may also contact:

Brett Reynolds  
Senior Vice President, Chief Financial Officer and Corporate Secretary  
Uroplasty, Inc.  
5420 Feltl Road  
Minnetonka, Minnesota 55343  
Telephone: (952) 426-6140  
Email: brett.reynolds@uroplasty.com

Vision shareholders may also contact:

Gary Siegel  
Vice President, Finance  
Vision-Sciences, Inc.  
40 Ramland Road South  
Orangeburg, New York 10962  
Telephone: (845) 848-1085  
Email: gary.siegel@visionsciences.com

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### SUMMARY

*This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. To better understand the merger and the other proposals being considered at the Uroplasty special meeting and the Vision special meeting, you should read this entire joint proxy statement/prospectus carefully, including the attached Annexes, and the other documents to which you are referred herein. See *Where You Can Find More Information* beginning on page 256.*

### Information about the Companies

Uroplasty, Inc.  
5420 Feltl Road,  
Minnetonka, Minnesota 55343  
Telephone: (952) 426-6140

Uroplasty is a medical device company that develops, manufactures and markets innovative, proprietary products for the treatment of voiding dysfunctions. Uroplasty's primary focus is on two products: the Urgent PC® Neuromodulation System, or the Urgent PC System, which Uroplasty believes is the only commercially available Food and Drug Administration, or FDA, cleared, minimally-invasive, neuromodulation system that delivers percutaneous tibial nerve stimulation for office-based treatment of overactive bladder and the associated symptoms of urinary urgency, urinary frequency, and urge incontinence; and Macroplastique® Implants, or Macroplastique, an injectable, urethral bulking agent for the treatment of adult female stress urinary incontinence primarily due to intrinsic sphincter deficiency. Uroplasty shares are listed on the NASDAQ Capital Market under the symbol UPI.

Uroplasty was incorporated in Minnesota in 1992. Its headquarters is located at 5420 Feltl Road, Minnetonka, Minnesota, 55343. Its telephone number is (952) 426-6140. It maintains a web site at <http://www.uroplasty.com>. The information contained on or connected to Uroplasty's website is expressly not incorporated by reference into this joint proxy statement/prospectus. Additional information about Uroplasty is included elsewhere in this joint proxy statement/prospectus. See the sections entitled *Information With Respect to Uroplasty's Business*, *Uroplasty's Management Discussion and Analysis of Financial Condition and Results of Operations* and *Uroplasty's Financial Statements* beginning on pages 122, 134 and F-1, respectively.

Vision-Sciences, Inc.  
40 Ramland Road South  
Orangeburg, New York 10962  
Telephone: (845) 848-1085

Vision designs, develops, manufactures and markets products for flexible endoscopy. Its unique product lines feature a streamlined visualization system and proprietary sterile disposable microbial barrier, known as EndoSheath technology, providing users with efficient and cost effective endoscope turnover while enhancing patient safety. Vision shares are listed on the NASDAQ Capital Market under the symbol VSCI.

Vision was incorporated in Delaware, and is the successor to operations originally begun in 1987. In December 1990, Vision acquired Machida Incorporated, which became a wholly owned subsidiary. Vision's headquarters are located at the address above. Vision maintains a website at [www.visionosciences.com](http://www.visionosciences.com). The information contained on or connected to Vision's website is expressly not incorporated by reference into this joint proxy statement/prospectus. Additional information about Vision is included elsewhere in this joint proxy statement/prospectus. See sections entitled *Information with respect to Vision's Business*, *Vision's Management Discussion and Analysis of Financial Condition and Results of Operations* and *Vision's Financial Statements* beginning on pages 147, 158 and F-39,

respectively.

Visor Merger Sub LLC  
c/o Vision-Sciences, Inc.  
40 Ramland Road South  
Orangeburg, New York 10962  
Telephone: (845) 848-1085

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Merger Sub is a Delaware limited liability company and a newly formed, direct, wholly-owned subsidiary of Vision. Merger Sub was formed on December 11, 2014 for the sole purpose of effecting the merger. To date, Merger Sub has not conducted any activities other than those incidental to its formation, the execution of the merger agreement and the preparation of applicable filings under U.S. securities laws made in connection with the merger.

### **Summary of the Merger**

If the merger is completed, Uroplasty will merge with and into Merger Sub and the separate corporate existence of Uroplasty will cease. Merger Sub will be the surviving company in the merger, will change its name to Uroplasty, LLC, and Vision will continue to be the sole member of the surviving company. After the merger, Vision and its consolidated subsidiaries, including the surviving company and its subsidiaries, will operate as a combined company under the name Cogentix Medical, Inc. A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. You are encouraged to read the merger agreement in its entirety because it is the legal document that governs the merger. For a more complete discussion of the merger, see *The Merger* and *The Merger Agreement* beginning on pages 64 and 103, respectively.

### **Recommendation of the Uroplasty Board of Directors and Uroplasty's Reasons for the Merger**

After careful consideration, the Uroplasty board of directors unanimously recommends that Uroplasty shareholders vote **FOR** each of the proposals being submitted to a vote of the Uroplasty shareholders at the Uroplasty special meeting.

In reaching its decision, the Uroplasty board of directors considered a number of factors as generally supporting its decision to enter into the merger agreement, including, among others, the following:

- the belief that the combination of Uroplasty's and Vision's businesses would create more value for the Uroplasty shareholders in the long-term than Uroplasty could create as an independent, stand-alone company;
- the opportunity for the Uroplasty shareholders to participate in the potential future value of the combined company, including future potential value from Vision's established products and products in development; and
- the exchange ratio in the merger which is intended to result in Uroplasty shareholders holding approximately 62.5% of the outstanding shares of the combined company after the merger; and the governance arrangements contained in the merger agreement.

The Uroplasty board of directors also considered a variety of risks and other potentially negative factors concerning the merger, including, among others, the following:

- the risk that the merger might not be completed in a timely manner;
- risks related to certain terms of the merger agreement (including restrictions on the conduct of Uroplasty's business prior to completion of the merger and the requirement that Uroplasty pay Vision a termination fee and expense reimbursement in certain circumstances);
- risks related to the diversion of management and resources from other strategic opportunities; challenges and difficulties relating to integrating the operations of Uroplasty and Vision; and
- the fact that the combined company will need additional financing if the merger is completed.

For a more complete description of Uroplasty's reasons for the merger and the recommendation of the Uroplasty board of directors, see *The Merger—Recommendation of the Uroplasty Board of Directors and Uroplasty's Reasons for the Merger*, beginning on page 73.

### **Recommendation of the Vision Board of Directors and Vision's Reasons for the Merger**

After careful consideration, the Vision board of directors unanimously recommends that Vision shareholders vote FOR each of the proposals being submitted to a vote at the Vision special meeting.

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In reaching its decision to approve, and recommend to Vision shareholders the approval of, the merger agreement and the transactions contemplated thereby, the Vision board of directors considered a number of factors, including the following:

- that combining the companies would create a larger, more balanced company with a broader product line to sell to its customer base;
- the complementary nature of the companies' urology-oriented businesses;
- lack of overlap in their respective geographic markets;
- that Uroplasty has a large sales force with experience in selling directly to medical offices and doctor-practices;
- Uroplasty has an experienced management team in place;
- the expectation that the combined company would promote earnings per share accretion (in comparison to Vision on a stand-alone basis) including through the realization of synergies and Uroplasty's higher operating margin;
- the expectation that the combined company would have easier access to additional financing; and
- the expectation that shareholders would experience opportunities for share price growth.

The Vision board of directors also considered a variety of uncertainties, risks and other potentially negative factors relevant to the merger, including the following:

- the fact that Vision shareholders will own a significantly smaller percentage in the combined company;
- the difficulty and costs inherent in the combination of two businesses and the risk that the cost savings, synergies and other benefits expected might not be fully or timely realized; and
- the fact that the combined company will need additional financing to satisfy anticipated liquidity challenges and the possibility that additional financing might not be available, or available only on a dilutive basis.

For a more complete description of Vision's reasons for the merger and the recommendation of the Vision board of directors, see *The Merger – Recommendation of the Vision Board of Directors and Vision's Reasons for the Merger*, beginning on page 77.

### **Opinion of Piper Jaffray & Co.**

On December 19, 2014, Piper Jaffray & Co., or Piper Jaffray, Uroplasty's financial advisor, delivered its opinion to the Uroplasty board of directors. The opinion stated that, as of December 19, 2014, based upon and subject to the various qualifications, considerations and assumptions set forth in the Piper Jaffray opinion, the exchange ratio was fair, from a financial point of view, to the holders of the Uroplasty common stock.

The full text of that opinion, which sets forth the assumptions made, matters considered and limitations on the respective reviews undertaken by Piper Jaffray in connection with its opinion, is attached as Annex D to this joint proxy statement/prospectus and is incorporated by reference in this joint proxy statement/prospectus in its entirety. Piper Jaffray provided its opinion for the information and assistance of the Uroplasty board of directors in connection with its consideration of the merger. The opinion of Piper Jaffray is not a recommendation as to how any shareholder should vote or act with respect to any aspect of the merger or any other matter. You should read the opinion carefully and in its entirety. For a more complete summary of Piper Jaffray's opinion, see *The Merger—Opinion of Uroplasty's Financial Advisor* beginning on page 80.

### **Opinion of Leerink Partners LLC**

Vision engaged Leerink Partners LLC, or Leerink, to render an opinion with respect to the fairness, from a financial point of view, of the consideration to be paid in connection with the merger. At a meeting of the Vision board of directors on December 19, 2014, Leerink rendered its oral opinion to the Vision board, confirmed by delivery of a

written opinion dated December 19, 2014, that, as of such date and based upon and subject to the factors, assumptions and limitations set forth in its written opinion, the exchange ratio was fair, from a financial point of view, to Vision.

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The full text of the written opinion of Leerink, dated December 19, 2014, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Leerink in connection with the opinion, is attached as Annex E to this joint proxy statement/prospectus, and is incorporated herein by reference. Leerink provided its opinion for the benefit and use of the Vision board of directors in its consideration of the transaction, and its opinion is directed only to the fairness, from a financial point of view, of the merger exchange ratio to Vision. The Leerink opinion does not constitute an opinion as to the merits of the merger and is not a recommendation to any holder of Vision shares as to how such holder should vote with respect to the merger, or any other matter. For a more complete summary of Leerink's opinion, see *The Merger—Opinion of Vision's Financial Advisor* beginning on page 86.

### **Risk Factors**

The merger, as well as the possibility that the merger may not be completed, poses a number of risks to Uroplasty and Vision and their respective shareholders, including, among others:

- the exchange ratio is fixed and will not be adjusted upon any change in the price of either Uroplasty shares or Vision shares;
- the merger is subject to certain conditions to closing that could result in the merger not being consummated or being delayed, either of which could negatively impact the share price and future business and operating results of Uroplasty and Vision;
- the merger agreement contains provisions that restrict Uroplasty's and Vision's ability to pursue alternatives to the merger and, in specified circumstances, could require Uroplasty or Vision to pay the other party a termination fee and expense reimbursement; and
- whether or not the merger is completed, the announcement and pendency of the merger could impact or cause disruptions in the businesses of Uroplasty and Vision, which could have an adverse effect on the businesses and operating results of Uroplasty and Vision.

Uroplasty, Vision and the combined company are also subject to various risks associated with their respective businesses. These risks are discussed in greater detail under *Risk Factors* beginning on page 21. Uroplasty and Vision both encourage you to read and consider all of these risks carefully.

### **Closing and Timing of the Merger**

The completion of the merger will occur at a date and time specified jointly by Vision and Uroplasty, which will be no later than three business days after the satisfaction or, to the extent permitted by applicable law, waiver of the conditions to the closing of the merger (other than those conditions that by their terms are to be satisfied at the closing, subject to the satisfaction or waiver of those conditions).

Vision and Uroplasty currently expect the closing to occur in the first half of 2015. However, as the merger is subject to the satisfaction or waiver of the conditions described in the merger agreement, it is possible that factors outside the control of Vision and Uroplasty could result in the merger being completed at a later time, or not at all.

### **Merger Consideration to Uroplasty Shareholders**

At the effective time of the merger, each outstanding Uroplasty share will be converted into the right to receive 3.6331 fully paid and nonassessable Vision shares, other than shares held by Vision, Merger Sub, or any wholly-owned subsidiary of Vision or Uroplasty, which will be canceled and retired and cease to exist, and dissenting shares as described under *The Merger—Appraisal and Dissenters' Rights* .



Vision will not issue fractional Vision shares or certificates for fractional Vision shares in connection with the merger. Each Uroplasty shareholder that otherwise would have been entitled to receive a fraction of a Vision share will receive, in lieu thereof and upon surrender of such Uroplasty share certificate or uncertificated share, an amount in cash that is described in detail under *The Merger Agreement—No Fractional Shares* beginning on page 106.

For a more complete discussion of the merger consideration, see *The Merger Agreement—Merger Consideration to Uroplasty Shareholders* beginning on page 104.

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### **Appraisal and Dissenters' Rights**

Any Uroplasty shares outstanding immediately prior to the merger, and held by Uroplasty shareholders who have not approved the merger and who have properly exercised dissenters' rights in the time and manner provided in Sections 471 and 473 of the MBCA, and, as of the effective time, have neither effectively withdrawn nor lost their dissenters' rights under the MBCA, will not be converted into the right to receive the merger consideration, but will, by virtue of the merger, be entitled to only such consideration as shall be determined pursuant to Section 473 of the MBCA.

Appraisal or dissenters' rights are not available to Vision shareholders in connection with the merger or any of the other transactions described in this joint proxy statement/prospectus.

For a more complete description of the dissenters' rights available to Uroplasty shareholders, see *The Merger—Appraisal and Dissenters' Rights* beginning on page 101.

### **Treatment of Uroplasty Options and Other Uroplasty Equity-Based Awards**

*Stock Options.* Immediately prior to the effective time, each option to purchase Uroplasty shares that is then outstanding will be adjusted such that the option becomes an option to acquire Vision shares on the same terms and conditions as were applicable to the Uroplasty option prior to the merger, except that (A) the number of Vision shares subject to the new option will be equal to the product of (i) the number of Uroplasty shares subject to the existing option and (ii) 3.6331 (rounding fractional shares down to the nearest whole share) and (B) the exercise price per share under the new option will be equal to (i) the exercise price per share of the Uroplasty option divided by (ii) 3.6331 (rounded up to the nearest whole cent). To the extent that Section 409A or Section 421(a) of the Code, apply to any such Uroplasty option, this adjustment will be subject to such modifications, if any, as are required to cause the substitution of Vision options for Uroplasty options to be made in a manner consistent with Section 409A or 421(a) of the Code, as applicable.

*Restricted Stock.* Immediately prior to the effective time, each share of Uroplasty restricted stock that is then outstanding will be exchanged and converted into the right to receive 3.6331 restricted Vision shares on the same terms and conditions as were applicable to the Uroplasty restricted stock prior to the merger.

*Performance Awards.* Immediately prior to the effective time of the merger, each Uroplasty performance award that is then outstanding will be adjusted such that (A) it becomes payable, on the same terms and conditions as were applicable to such Uroplasty performance award prior to the merger, in cash or, if sufficient cash is unavailable, in Vision restricted stock units, and (B) the specified stock price target of each Uroplasty performance award will be equal to the quotient obtained by dividing (i) the current stock price target by (ii) 3.6331 (rounded up to the nearest whole cent).

For a more complete discussion of the treatment of Uroplasty stock options and other equity-based awards, see *The Merger—Treatment of Uroplasty Options and Other Uroplasty Equity-Based Awards* beginning on page 104.

### **Management of the Combined Company Following the Merger**

Upon completion of the merger, the board of directors of the combined company will consist of eight directors, including all five current members of the Uroplasty board of directors and three current members of the Vision board of directors. Upon completion of the merger, Robert C. Kill, Uroplasty's current Chairman of the Board, President and Chief Executive Officer, will serve as Chairman of the Board, President and Chief Executive Officer of the combined company, Brett A. Reynolds, Uroplasty's current Senior Vice President, Chief Financial Officer and Corporate Secretary, will serve as Senior Vice President, Chief Financial Officer and Corporate Secretary of the combined

company, and Darin Hammers, Uroplasty's current Senior Vice President, Global Sales and Marketing, will serve as Senior Vice President, Global Sales and Marketing of the combined company.

For a more complete discussion of the management of the combined company after the merger, see *The Merger—Board of Directors and Management After the Merger* beginning on page 96.

**Interests of Uroplasty's Directors and Officers in the Merger**

In considering the unanimous recommendation of the Uroplasty board of directors to Uroplasty shareholders to vote in favor of the merger agreement and the transactions contemplated thereby, including the merger, and the

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other matters to be acted upon by the Uroplasty shareholders at the Uroplasty special meeting, Uroplasty shareholders should be aware that members of the Uroplasty board of directors and Uroplasty's executive officers have interests in the merger that may be different from, or in addition to, or conflict with, the interests of Uroplasty shareholders.

Interests of the Uroplasty directors and officers relate to:

- the board of directors of the combined company will include all five current members of the Uroplasty board of directors, and such directors, with the exception of Mr. Kill, are expected to receive cash and equity compensation for their board service;
- Mr. Kill will be appointed President and Chief Executive Officer of the combined company and is expected to receive cash and equity compensation for his service;
- Mr. Reynolds will be appointed Senior Vice President, Chief Financial Officer and Corporate Secretary of the combined company and is expected to receive cash and equity compensation for his service;
- Mr. Hammers will be appointed Senior Vice President, Global Sales and Marketing of the combined company and is expected to receive cash and equity compensation for his service;
- other current officers of Uroplasty may become officers of the combined company and will receive compensation for their service;
- pursuant to the terms of the merger agreement, Uroplasty's current and former directors and executive officers will be entitled to certain ongoing indemnification and coverage for six years after the effective time; and each of Uroplasty's officers and directors entered into a voting agreement with Vision pursuant to which, among other things and subject to the terms and conditions therein, the officers and directors agreed to vote their Uroplasty shares in favor of the merger, the merger agreement and the transactions contemplated by the merger agreement.

The Uroplasty board of directors was aware of these potential conflicts of interest and considered them, among other matters, in reaching its decision to approve the merger agreement and the transactions contemplated thereby, including the merger, and to recommend that Uroplasty shareholders approve the merger agreement and the transactions contemplated thereby, including the merger, and related matters. Other than full disclosure of these potential conflicts of interest, the Uroplasty board of directors did not take any other steps to alleviate such potential conflicts of interest since it did not consider such potential conflicts of interest to be material in connection with its decision to approve the merger agreement and the transactions contemplated thereby, including the merger, and related matters.

For a more complete discussion of the interests of the directors and executive officers of Uroplasty in the merger, see *The Merger—Interests of Uroplasty's Directors and Officers in the Merger* beginning on page 96.

### **Interests of Vision's Directors and Officers in the Merger**

In considering the unanimous recommendations of the Vision board of directors to vote in favor of the merger agreement and the transactions contemplated thereby, including the merger, and the other matters to be acted upon by Vision shareholder at the Vision special meeting, Vision shareholders should be aware that some of Vision's directors and executive officers have interests in the merger that are different from, and in addition to, the interest of Vision shareholders generally.

Interests of the Vision directors and executive officers relate to:

- the board of directors of the combined company will include three of the current members of the Vision board of directors, and such directors are expected to receive cash and equity compensation for their service;
- other current officers of Vision may become officers of the combined company and receive compensation for their service;
-

as of February 9, 2015, Vision's directors and officers held an aggregate 1,586,457 options and 1,565,768 shares of restricted stock, all of which options that are then outstanding will become fully

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vested and exercisable at the effective time of the merger and remain exercisable for the remainder of their terms, and all of which shares of restricted stock that are then outstanding will become fully vested and free of any forfeiture restrictions at the effective time of the merger;

- under the terms of his employment agreement, Howard I. Zauberman, Vision's President and Chief Executive Officer, is entitled to an aggregate \$125,000, payable in accordance with Vision's ordinary payroll practices for six months following the merger, because he will not continue in his current position with the combined company;
- each of Vision's officers and directors entered into a voting agreement with Uroplasty pursuant to which, among other things and subject to the terms and conditions therein, the officers and directors agreed to vote their Vision shares in favor of the merger, the merger agreement and the transactions contemplated thereby; and
- in connection with the merger agreement, Vision and Lewis C. Pell, Vision's Chairman, entered into amendments to all of the outstanding convertible notes and warrants held by Mr. Pell, which amendments will become automatically effective at the time of the merger.

### **No Uroplasty Golden Parachute Compensation**

There are not any agreements or understandings, whether written or unwritten, between any of Uroplasty's named executive officers and either Uroplasty or Vision concerning any type of compensation, whether present, deferred or contingent, that is based on or otherwise relates to the merger. The merger will not constitute a change in control under the employment agreement of any of Uroplasty's named executive officers or under the Uroplasty, Inc. 2006 Amended Stock and Incentive Plan. Uroplasty has not entered into any new agreement or arrangement to provide additional compensation in connection with the merger and no additional payments to Uroplasty's named executive officers are expected to be made in connection with the merger. Therefore, the advisory shareholder vote relating to golden parachute compensation otherwise required by Item 402(t) of Regulation S-K is not required with respect to Uroplasty's named executive officers.

### **Conditions to Completion of the Merger**

The obligations of Vision and Uroplasty to consummate the transactions contemplated by the merger agreement are subject to the satisfaction or waiver by Vision and Uroplasty of certain conditions set forth in the merger agreement, including the following conditions:

- obtaining the approval of the required percentage of Vision shares to (i) issue Vision shares in connection with the merger, (ii) increase the number of Vision shares available for issuance pursuant to equity-based awards under Vision equity incentive plans, pursuant to one or more plans to be newly created, by at least 12,300,000 Vision shares, (iii) adopt the proposal of the Vision board of directors to amend Vision's certificate of incorporation, including the increase in the number of authorized shares of common stock and the name change to Cogentix Medical, Inc., (iv) approve the merger agreement and the transactions contemplated thereby, and (v) if required by NASDAQ rules, approve the amendments to the convertible promissory notes and warrants issued by Vision to Mr. Pell, and (vi) adopt any other resolution necessary to effect the transaction contemplated by the merger agreement;
- obtaining Uroplasty shareholder approval of the merger agreement and consummation of the transactions contemplated thereby, including the merger;
- the effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, under the Securities Act, and no stop order having been issued;
- there being no action pending against Vision, Merger Sub or Uroplasty or any of their respective affiliates by any governmental body (i) seeking to enjoin or make illegal, delay or otherwise restrain or prohibit the consummation of, or to have rescinded, the merger; (ii) seeking material damages in connection with the

- merger; or (iii) seeking to impose any criminal sanctions or liability on Vision, Merger Sub or Uroplasty in connection with the merger;
- the representations and warranties of the other party, other than the representations relating to the authority of such party with respect to the execution, delivery, performance, due and valid authorization

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and enforceability of the merger agreement, and to each party's capital structure, (i) to the extent qualified by material adverse effect, being true and correct, and (ii) to the extent not qualified by material adverse effect, being true and correct except where the failure to be true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a material adverse effect on such party, in the case of (i) and (ii), as of the closing date (except for those representations and warranties that were made as of a specified date, which need be true and correct, subject to such qualifications, only as of such specified date);

- the representations and warranties of the other party relating to the authority of such party with respect to the execution, delivery, performance, due and valid authorization and enforceability of the merger agreement, and each party's capital structure being true and correct in all respects (other than *de minimis* inaccuracies with respect to such party's capital structure) as of the closing date;
- the other party having performed, in all material respects, its covenants and agreements contained in the merger agreement required to be performed prior to the closing date;
- since the date of the merger agreement, there having not been or occurred any material adverse effect to the other party; and
- the voting agreements between such party and the directors and officers of the other party being in effect and not terminated, amended or repudiated.

In addition, the obligations of Uroplasty to consummate the transactions contemplated by the merger agreement are subject to the satisfaction of the following conditions as of the closing date:

- Vision appointing the nominees for the combined company's board of directors as set forth in the merger agreement; and
- the amendments to the convertible promissory notes and warrants issued by Vision to Mr. Pell not having been terminated, amended, modified or repudiated and otherwise becoming effective at the effective time of the merger.

Uroplasty and Vision may waive conditions to completion of the merger only to the extent legally permissible. In the event that either Uroplasty or Vision determines to waive any condition to the merger and such waiver necessitates the recirculation of this joint proxy statement/prospectus and resolicitation of proxies under applicable law, Uroplasty and Vision will recirculate this joint proxy statement/prospectus and resolicit proxies from Uroplasty and Vision shareholders.

For a more complete discussion of the conditions to completion of the merger, see *The Merger Agreement—Conditions to Completion of the Merger* beginning on page 114.

### **No Solicitation; Board Recommendations**

Subject to certain exceptions specified in the merger agreement, each of Vision and Uroplasty agreed not to (i) solicit proposals relating to, participate or engage in discussions or negotiations with respect to, or enter into any agreement with respect to an acquisition proposal with respect to itself or (ii) disclose any non-public information or data relating to, or afford access to the properties, books, or records of, itself or any of its subsidiaries to any person that has made an acquisition proposal with respect to it.

If, however, prior to obtaining the approval of its shareholders, Vision or Uroplasty receives an unsolicited written acquisition proposal from a third party that constitutes, or that its respective board of directors determines in good faith is reasonably expected to lead to, a superior proposal, then Vision or Uroplasty, as applicable, may, subject to certain conditions included in the merger agreement, disclose any non-public information or data relating to, or afford access to the properties, books, or records of, itself or any of its subsidiaries to and participate or engage in discussions or negotiations with that third party with respect to that proposal.



For a more complete description of the prohibition on solicitations of acquisition proposals from third parties, see *The Merger Agreement—No Solicitation; Board Recommendations* beginning on page 110.

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### **Change of Recommendation**

The merger agreement generally restricts the ability of the board of directors of each of Vision and Uroplasty to withdraw its recommendation that its shareholders approve the transactions contemplated by the merger agreement or to propose publicly to recommend, adopt, or approve any acquisition proposal with respect to itself.

However, the board of directors of each of Vision and Uroplasty may change its recommendation, prior to obtaining the approval of the respective shareholders, in response to a superior offer or an intervening event if, among other things, such board of directors concludes that a failure to change its recommendation would be a breach of its fiduciary duties to its shareholders and, if requested by the other party, its representatives have negotiated in good faith with the other party for five business days regarding any amendment to the merger agreement that would allow the transaction contemplated thereby to be effected.

For a more complete description of the circumstances under which the Vision board of directors or Uroplasty board of directors may withdraw its recommendation that its shareholders approve the merger, see *The Merger Agreement—Change of Recommendation* beginning on page 112.

### **Termination of the Merger Agreement**

The merger agreement may be terminated and the merger may be abandoned at any time prior to the effective time by mutual written consent of Vision and Uroplasty, as well as under certain other circumstances.

The merger agreement may be terminated:

- by either Vision or Uroplasty if the other party's board of directors or any committee thereof (i) makes an adverse recommendation change or (ii) publicly proposes to make an adverse recommendation change;
- by either Vision or Uroplasty if the other party materially breaches the provisions of the merger agreement described under *The Merger Agreement—No Solicitation; Board Recommendations* ;
- by either Vision or Uroplasty if at any time prior to obtaining the approval of its shareholders, in order to enter into a definitive agreement with respect to a superior proposal, in each case if it has complied with its obligations under the provisions described under *The Merger Agreement—No Solicitation; Board Recommendations* and, in connection with the termination of the merger agreement, it pays to the other party in immediately available funds \$1.5 million;
- by Uroplasty if the amendments contemplated by the merger agreement to the convertible promissory notes and warrants issued by Vision to Mr. Pell have been terminated, amended, modified or repudiated; or
- by either Vision or Uroplasty if at any time prior to the effective time, if any of the other party's covenants, representations or warranties contained in the merger agreement has been breached or any of the other party's representations and warranties has become untrue, such that any of the conditions to the closing of the merger described under *The Merger Agreement—Conditions to Completion of the Merger* will not be satisfied, and such breach is (i) incapable of being cured by the other party or (ii) has not been cured within 45 days of receipt by the other party of written notice of such breach describing in reasonable detail such breach.

The merger agreement also may be terminated by either Vision or Uroplasty if, subject to certain conditions being met:

- the required approval of either party's shareholders contemplated under the merger agreement at the respective shareholders' meeting is not obtained;
- the transactions contemplated by the merger agreement violate any order, decree or ruling of any court or governmental body that has become final and non-appealable or if there is a law that makes the transactions contemplated in the merger agreement illegal or otherwise prohibited;

- the merger has not been consummated by 5:00 p.m., New York time, on September 30, 2015; or
- more than 10% of the issued and outstanding Uroplasty shares have properly exercised, and not withdrawn or otherwise lost, dissenters' rights under the MBCA.

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For a more complete discussion of the circumstances under which the merger agreement may be terminated, see *The Merger Agreement—Termination of the Merger Agreement* beginning on page 116.

### **Expenses and Termination Fee**

All costs and expenses incurred in connection with the negotiation of the merger agreement, the performance of the obligations thereunder, and the consummation of the transactions contemplated thereby will be paid by the party incurring these expenses. The merger agreement provides that each of Vision and Uroplasty will be obligated to pay a \$1.5 million termination fee and expenses not to exceed \$2.0 million to the other party following the termination of the merger agreement by the other party in certain circumstances.

For a more complete discussion of termination fees and expenses, see *The Merger Agreement—Expenses and Termination Fee* beginning on page 116.

### **Anticipated Accounting Treatment**

The merger will be accounted for as a reverse acquisition pursuant to which Uroplasty will be considered the acquiring entity for accounting purposes in accordance with U.S. generally accepted accounting principles. As such, Uroplasty will allocate the total purchase consideration to Vision's tangible and identifiable intangible assets and liabilities based on their relative fair values at the date of completion of the merger. Uroplasty's historical results of operations will replace Vision's historical results of operations for all periods prior to the merger. After completion of the merger, the results of operations of both companies will be included in the combined company's financial statements. As required under applicable regulations under the Code, for certain consolidated tax return compliance and accounting purposes following the merger, Vision will calculate and file consolidated tax returns and certain financial statements as though Uroplasty was the surviving entity in the merger and as though Uroplasty were the parent to the new consolidated group. For all other purposes, Vision will be the surviving parent to the new consolidated group.

For a more complete discussion of the anticipated accounting treatment of the merger, see *The Merger—Anticipated Accounting Treatment* beginning on page 101.

### **Voting Agreements**

Concurrently with the execution of the merger agreement, each of Uroplasty and Vision entered into voting agreements with the other's officers and directors, respectively, representing shareholders holding approximately 39% of Vision's outstanding shares of common stock and representing shareholders holding approximately 4% of Uroplasty's outstanding shares of common stock at December 1, 2014, pursuant to which, among other things and subject to the terms and conditions therein, such shareholders agreed to vote their Vision and Uroplasty shares in favor of the merger, the merger agreement, the transactions contemplated by the merger agreement and against any acquisition proposal (other than the merger), including any superior proposal.

### **Amendments to Pell Notes and Warrants**

Concurrently with the execution of the merger agreement, Vision and Mr. Pell have entered into amendments to all of the outstanding convertible notes and warrants held by Mr. Pell. The amendments, which extend the maturity date of the convertible notes and the exercise period of the warrants, will become automatically effective without further action by Vision or Mr. Pell at the effective time of the merger. The amended convertible promissory notes will be subordinated to loans incurred by the combined company to finance certain strategic initiatives, in each case as reasonably approved by Mr. Pell. The warrants may be exercised effective immediately prior to the closing of an event

constituting a change in control (other than the merger). Shareholder approval of these amendments may be required by the NASDAQ Capital Market. See *Vision Proposal No. 7 – Approval of Amendments to Pell Convertible Notes and Warrants* beginning on page 234.

**Litigation Related to the Merger**

On January 7, 2015, a putative class action complaint was filed in the District Court, Fourth Judicial District, County of Hennepin, State of Minnesota, by a purported shareholder of Uroplasty under the caption *Joseph J. Frustaci vs. Uroplasty, Inc., et al.*, C.A. No. 27-cv-15-305. The complaint names as defendants

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Uroplasty, Vision, Merger Sub and the members of the Uroplasty board of directors. The complaint asserts various causes of action, including, among other things, that the members of the Uroplasty board of directors breached their fiduciary duties owed to the Uroplasty shareholders in connection with entering into the merger agreement and approving the merger. The complaint further alleges Uroplasty, Vision and Merger Sub aided and abetted the alleged breaches of fiduciary duties by the Uroplasty board of directors. The plaintiff is seeking, among other things, injunctive relief enjoining or rescinding the merger and an award of attorneys' fees and costs. Uroplasty and Vision believe that this lawsuit is without merit and intend to contest it vigorously.

**Material U.S. Federal Income Tax Consequences of the Merger**

The merger is intended to be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Assuming the merger qualifies as a reorganization, holders of Uroplasty common stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's Uroplasty shares for Vision shares pursuant to the merger, except with respect to cash received in lieu of fractional shares of Vision common stock. You are urged to consult your own tax advisor regarding the particular consequences to you of the merger.

For a more complete discussion of the material U.S. federal income tax consequences of the merger, see *Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 120.

**Comparative Per Share Data**

The following tables set forth certain historical, pro forma and pro forma equivalent per share financial information for Uroplasty shares and Vision shares. The following information should be read in conjunction with the audited financial statements of Uroplasty and Vision, which are provided in this joint proxy statement/prospectus beginning on pages F-1 and F-39, respectively, and the financial information contained in *Selected Historical Financial Information and Unaudited Pro Forma Condensed Combined Financial Information* of this joint proxy statement/prospectus, beginning on page 47. The unaudited pro forma information below is presented for informational purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. The unaudited pro forma information also does not purport to indicate balance sheet data or results of operations data as of any future date or for any future period.

<b>Per share information for the nine months ended December 31, 2014:</b>	<b>Uroplasty Historical</b>	<b>Vision Historical</b>	<b>Pro Forma Combined</b>	<b>Pro Forma Uroplasty Equivalent</b>
Basic and diluted net loss	\$ (0.25 )	\$ (0.11 )	\$ (0.09 )	\$ (0.33 )
Book value (deficit)	0.40	(0.39 )	0.20	0.72
Cash dividends	—	—	—	—
<b>Per share information for the year ended March 31, 2014:</b>	<b>Uroplasty Historical</b>	<b>Vision Historical</b>	<b>Pro Forma Combined</b>	<b>Pro Forma Uroplasty Equivalent</b>
Basic and diluted net loss	\$ (0.25 )	\$ (0.17 )	\$ (0.13 )	\$ (0.47 )
Book value (deficit)	0.61	(0.31 )	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Cash dividends	—	—	—	—

- (1) Pro forma book value per share is not meaningful as purchase adjustments were calculated as of December 31, 2014.
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TABLE OF CONTENTS**Comparative Per Share Market Price Data**

Uroplasty shares are listed for trading on the NASDAQ Capital Market under the symbol UPI. Vision shares are listed for trading on the NASDAQ Capital Market under the symbol VSCI. The following table lists the closing prices per Vision share and Uroplasty share, on an actual and equivalent per share basis, on NASDAQ on the following dates:

- December 19, 2014, the last full trading day prior to the public announcement of the merger, and
- February 20, 2015, the last trading day for which this information could be calculated prior to the date of this joint proxy statement/prospectus.

	<b>Uroplasty shares of common stock</b>	<b>Vision shares of common stock</b>	<b>Equivalent value of merger consideration per Uroplasty share<sup>(1)</sup></b>
December 19, 2014	\$ 2.35	\$ 1.01	\$ 3.67
February 20, 2015	\$ 1.33	\$ 0.51	\$ 1.85

(1) The equivalent per share data for Uroplasty shares has been determined by multiplying the market price of one Vision share of common stock on each of the dates by the exchange ratio of 3.6331.



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### **RISK FACTORS**

*In addition to the other information included in this joint proxy statement/prospectus, including the matters addressed under Cautionary Statement Concerning Forward-Looking Statements, Uroplasty and Vision shareholders should consider carefully the following risk factors before deciding how to vote their Uroplasty shares at the Uroplasty special meeting and/or Vision shares at the Vision special meeting. If any of the risks described below actually occur, the respective businesses, operating results, financial condition or share prices of Uroplasty, Vision or the combined company could be materially adversely affected. The risks discussed below may not prove to be exhaustive and are based on certain assumptions made by Uroplasty and Vision, which later may prove to be incorrect or incomplete.*

#### **Risks Related to the Merger**

*The exchange ratio is fixed and will not be adjusted in the event of any change in the price of either Uroplasty shares or Vision shares.*

Upon completion of the merger, each Uroplasty share will be converted into the right to receive 3.6331 Vision shares. This exchange ratio will not be adjusted for changes in the market price of either Uroplasty shares or Vision shares between the date of signing the merger agreement and completion of the merger. Changes in the price of Vision shares prior to the merger will affect the value of Vision shares that Uroplasty shareholders will receive on the closing date. The exchange ratio will, however, be adjusted appropriately to fully reflect the effect of any reclassification, stock split, stock dividend or distribution, recapitalization or other similar transaction with respect to either the Uroplasty shares or Vision shares prior to the completion of the merger.

The prices of Uroplasty shares and Vision shares on the date of the completion of the merger may vary from their prices on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the date of each shareholder meeting. As a result, the value represented by the exchange ratio will also vary. These variations could result from changes in the business, operations or prospects of Uroplasty or Vision prior to or following the completion of the merger, regulatory considerations, general market and economic conditions and other factors both within and beyond the control of Uroplasty or Vision. At the time of the Uroplasty special meeting, Uroplasty shareholders will not know with certainty the value of the Vision shares that they will receive upon completion of the merger. Based on the closing price on the NASDAQ Capital Market on February 20, 2015, the last practicable trading day prior to the date of this joint proxy statement/prospectus, the value of the 3.6331 Vision shares to be received in respect of each Uroplasty share was \$1.85.

*The merger is subject to certain conditions to closing that could result in the merger not being consummated or being delayed, any of which could negatively impact the share price and future business and operating results of Uroplasty and Vision.*

Consummation of the merger is subject to a number of customary conditions, including, but not limited to, the approval of the merger agreement by the Uroplasty and Vision shareholders and the other conditions described under *The Merger Agreement—Conditions to Completion of the Merger* beginning on page 114. There is no assurance that Uroplasty and Vision will receive the necessary approvals or satisfy the other conditions necessary for the completion of the merger. If any conditions to the merger are not satisfied or, where waiver is permissible, not waived, the merger will not be consummated.

Failure to complete the merger would prevent Uroplasty and Vision from realizing the anticipated benefits of the merger. Uroplasty and Vision have already and expect to continue to incur significant costs associated with transaction fees, professional services, taxes and other costs related to the merger. In the event that the merger is not completed, Uroplasty and Vision, respectively, will remain liable for these costs and expenses. Further, if the merger

is not completed and the merger agreement is terminated, under certain circumstances, either Uroplasty or Vision may be required to pay the other party a termination fee of \$1.5 million and/or pay expenses of the other party up to \$2 million.

In addition, the current market price of Uroplasty shares and Vision shares may reflect a market assumption that the merger will occur, and a failure to complete the merger could result in a negative perception by the market of Uroplasty and Vision generally and a resulting decline in the market price of Uroplasty shares and Vision shares. Any delay in the consummation of the merger or any uncertainty about the consummation of the

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merger could also negatively impact the share price and future business and operating results of Uroplasty and Vision. Uroplasty and Vision cannot assure you that the merger will be consummated, that there will be no delay in the consummation of the merger or that the merger will be consummated on the terms contemplated by the merger agreement.

***Uroplasty and Vision may waive one or more conditions to the merger without resoliciting shareholder approval for the merger.***

Certain conditions to Uroplasty's and Vision's obligations to complete the merger may be waived, in whole or in part, to the extent legally allowed, either unilaterally or by agreement of Uroplasty and Vision. In the event of a waiver of a condition, the boards of directors of Uroplasty and Vision will evaluate the materiality of any such waiver to determine whether a supplement to this joint proxy statement/prospectus, an amendment to the registration statement of which this joint proxy statement/prospectus is a part or a resolicitation of proxies is necessary. If the Uroplasty board of directors or the Vision board of directors determines any such waiver is not significant enough to require resolicitation of shareholders, it will have the discretion to complete the merger without seeking further shareholder approval. The conditions requiring the approval of each company's shareholders, however, cannot be waived.

***The merger agreement contains provisions that restrict Uroplasty's and Vision's ability to pursue alternatives to the merger and, in specified circumstances, could require Uroplasty or Vision to pay the other party a termination fee and expense reimbursement.***

Under the merger agreement, Uroplasty and Vision each agreed not to (1) take certain actions to solicit proposals relating to alternative business combination transactions or (2) subject to certain exceptions, including the receipt of a superior proposal (as defined in the merger agreement), enter into discussions or an agreement concerning or provide confidential information in connection with any proposals for alternative business combination transactions. In certain specified circumstances described under *The Merger Agreement—Expenses and Termination Fee*, upon termination of the merger agreement, the breaching party would be required to pay the other party a termination fee of \$1.5 million and reimburse the other party for its merger-related expenses in an amount not to exceed \$2 million. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of Uroplasty or Vision from considering or proposing that acquisition, even if such third party were prepared to enter into a transaction that is more favorable to Uroplasty, Vision or their respective shareholders than the proposed merger.

***Whether or not the merger is completed, the announcement and pendency of the merger could impact or cause disruptions in the businesses of Uroplasty and Vision, which could have an adverse effect on the businesses and operating results of Uroplasty and Vision.***

Whether or not the merger is completed, the announcement and pendency of the merger could cause disruptions in or otherwise negatively impact the businesses and operating results of Uroplasty and Vision, including among others:

- Uroplasty and Vision employees may experience uncertainty about their future roles with the combined company, which might adversely affect Uroplasty's and Vision's ability to retain and hire key personnel and other employees;
- the attention of Uroplasty's and Vision's management may be directed toward completion of the merger and transaction-related considerations and may be diverted from the day-to-day operations and pursuit of other opportunities that could have been beneficial to the businesses of Uroplasty and Vision; and
- customers, distributors, independent sales agencies, vendors or suppliers may seek to modify or terminate their business relationships with Uroplasty or Vision, or delay or defer decisions concerning Uroplasty or Vision.

These disruptions could be exacerbated by a delay in the completion of the merger or termination of the merger agreement and could have an adverse effect on the businesses, operating results or prospects of Uroplasty and Vision if the merger is not completed or the business, operating results or prospects of the combined company if the merger is completed.

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***Current Uroplasty and Vision shareholders will have a reduced ownership and voting interest in the combined company after the merger.***

Upon completion of the merger, Uroplasty shareholders will own approximately 62.5% of the combined company and Vision shareholders will own approximately 37.5% of the combined company, excluding shares of Vision issuable upon the conversion of convertible promissory notes, and exercise of warrants, held by Mr. Pell, which have been amended in connection with the merger agreement, as described under *Vision Proposal No. 7 – Approval of Amendments to Pell Convertible Notes and Warrants* beginning on page 234. Uroplasty and Vision shareholders currently have the right to vote for their respective directors and on other matters affecting their respective companies. When the merger occurs, each Uroplasty shareholder who receives Vision shares in the merger will become a shareholder of the combined company with a percentage ownership of the combined company that will be smaller than the shareholder's percentage ownership of Uroplasty. Correspondingly, each Vision shareholder will remain a shareholder of the combined company with a percentage ownership of the combined company that will be smaller than the shareholder's percentage ownership of Vision prior to the merger. As a result of these reduced ownership percentages, current Uroplasty shareholders will have less voting power in the combined company than they now have with respect to Uroplasty, and current Vision shareholders will have less voting power in the combined company than they now have with respect to Vision.

***The Vision shares to be received by Uroplasty shareholders as a result of the merger will have different rights from Uroplasty shares.***

Following completion of the merger, Uroplasty shareholders will no longer be shareholders of Uroplasty, but will be shareholders of Vision, which will be renamed Cogentix Medical, Inc. Uroplasty shareholders' rights are currently governed by the Uroplasty articles of incorporation and bylaws, and Minnesota law. After the merger, the combined company shareholders' rights will be governed by the combined company certificate of incorporation and bylaws and Delaware law.

See *Comparison of the Rights of Uroplasty Shareholders and Vision Shareholders* beginning on page 243 for a discussion of the different rights associated with Uroplasty shares and Vision shares.

***The opinions of Uroplasty's and Vision's financial advisors will not reflect changes in circumstances between the signing of the merger agreement and completion of the merger.***

Uroplasty and Vision have not obtained updated opinions from their respective financial advisors as of the date of this joint proxy statement/prospectus and do not expect to receive updated opinions prior to completion of the merger. Changes in the operations and prospects of Uroplasty or Vision, general market and economic conditions and other factors that may be beyond the control of Uroplasty or Vision, and on which Uroplasty's and Vision's financial advisors' opinions were based, may significantly alter the value of Uroplasty or Vision or the prices of Uroplasty shares or Vision shares by the time the merger is completed. The opinions do not speak as of the time the merger will be completed or as of any date other than the date of such opinions. Because Uroplasty's and Vision's financial advisors will not be updating their opinions, the opinions will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed. The Uroplasty board of directors' recommendation that Uroplasty shareholders vote **FOR** the proposals being submitted to the Uroplasty shareholders and the Vision board of directors' recommendation that Vision shareholders vote **FOR** the proposals being submitted to Vision shareholders, however, are made as of the date of this joint proxy statement/prospectus. For a description of the opinions that Uroplasty and Vision received from their respective financial advisors, please refer to *The Merger—Opinion of Uroplasty's Financial Advisor* and *The Merger—Opinion of Vision's Financial Advisor* beginning on pages 80 and 86, respectively.

***The directors and executive officers of Uroplasty and Vision have interests in the merger that may be different from, or in addition to, those of other Uroplasty and Vision shareholders, which could have influenced their decisions to support or approve the merger.***

In considering whether to approve the proposals at the meetings, Uroplasty and Vision shareholders should recognize that the directors and executive officers of Uroplasty and Vision have interests in the merger that are in addition to their interests as shareholders of Uroplasty or Vision. These interests may include, among others, continued service as a director or an executive officer of the combined company, accelerated vesting of certain equity-based awards or certain severance benefits and payment of certain amounts in connection with the merger, as applicable. These interests, among others, may influence the directors and executive officers of Uroplasty to

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support or approve the proposals at the Uroplasty special meeting or the directors and executive officers of Vision to support or approve the proposals at the Vision special meeting. See *The Merger — Interests of Uroplasty’s Directors and Officers in the Merger* and *The Merger — Interests of Vision’s Directors and Officers in the Merger* beginning on pages 96 and 97, respectively.

***If counterparties to certain agreements with Uroplasty or Vision do not consent to the merger, change of control rights under those agreements may be triggered as a result of the merger, which could cause the combined company to lose the benefit of such agreements and incur liabilities or replacement costs.***

Uroplasty and Vision could be parties to agreements or possess permits that contain change of control provisions that will be triggered as a result of the merger. If the counterparties to these agreements or the authorities responsible for such permits do not consent to the merger, the counterparties or authorities may have the ability to exercise certain rights (including termination rights), resulting in Uroplasty or Vision incurring liabilities as a consequence of breaching such agreements or operating without such permits, or causing Uroplasty or Vision to lose the benefit of such agreements or permits or incur costs in seeking replacement agreements or permits.

***A putative class action lawsuit has been filed and additional lawsuits may be filed against Uroplasty, Vision and/or Merger Sub relating to the merger. An adverse ruling in any such lawsuit may prevent the merger from being consummated.***

On January 7, 2015, a putative class action complaint was filed in the District Court, Fourth Judicial District, County of Hennepin, State of Minnesota, by a purported shareholder of Uroplasty under the caption *Joseph J. Frustaci vs. Uroplasty, Inc., et al.*, C.A. No. 27-cv-15-305. The complaint names as defendants Uroplasty, Vision, Merger Sub and the members of the Uroplasty board of directors. The complaint asserts various causes of action, including, among other things, that the members of the Uroplasty board of directors breached their fiduciary duties owed to the Uroplasty shareholders in connection with entering into the merger agreement and approving the merger. The complaint further alleges Uroplasty, Vision and Merger Sub aided and abetted the alleged breaches of fiduciary duties by the Uroplasty board of directors. The plaintiff is seeking, among other things, injunctive relief enjoining or rescinding the merger and an award of attorneys’ fees and costs. It is possible that this complaint will be amended to make additional claims and/or that additional lawsuits making similar or additional claims relating to the merger will be brought.

One of the conditions to completion of the merger is the absence of any order being in effect that prohibits the consummation of the merger. Accordingly, if this plaintiff or any future plaintiff is successful in obtaining an order enjoining consummation of the merger, then such order may prevent the merger from being completed, or from being completed within the expected time frame.

### **Risks Related to the Combined Company if the Merger is Completed**

***The combined company will need additional financing after the merger is completed, which may not be available on favorable terms at the time it is needed and which could reduce the combined company’s operational and strategic flexibility.***

The combined company will require additional working capital to fund future operations. The combined company could seek to acquire that through additional equity or debt financing arrangements, which may or may not be available on favorable terms at such time. If the combined company raises additional funds by issuing equity securities, the combined company’s shareholders will experience dilution. Debt financing, if available, may involve covenants restricting the combined company’s operations or its ability to incur additional debt. Any debt financing or additional equity that the combined company raises may contain terms that are not favorable to the combined

company or its shareholders. If the combined company does not have, or is not able to obtain, sufficient funds, it may have to delay development or commercialization of its products or license to third parties the rights to commercialize products or technologies that it would otherwise seek to commercialize. The combined company also may have to reduce marketing, customer support or other resources devoted to its products or cease operations.

***The combined company may be unable to successfully integrate Uroplasty's and Vision's operations or realize the anticipated cost savings and other potential benefits of the merger in a timely manner or at all. As a result, the value of the combined company's shares may be adversely affected.***

Uroplasty and Vision entered into the merger agreement because each company believed that the merger will be beneficial to its respective shareholders, other stakeholders and businesses. Achieving the anticipated



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potential benefits of the merger will depend in part upon whether the combined company is able to integrate Uroplasty's and Vision's operations in an efficient and effective manner. The integration process may not be completed smoothly or successfully. The necessity of coordinating geographically separated organizations, systems and facilities and addressing possible differences in business backgrounds, corporate cultures and management philosophies may increase the difficulties of integration. Uroplasty and Vision operate numerous systems, including those involving management information, purchasing, accounting and finance, sales, billing, payroll, employee benefits and regulatory compliance. Uroplasty and Vision may also have inconsistencies in standards, controls, procedures or policies that could affect the combined company's ability to maintain relationships with customers and employees after the merger or to achieve the anticipated benefits of the merger. The integration of certain operations following the merger will require the dedication of significant management resources, which may temporarily distract management's attention from the combined company's day-to-day business. Employee uncertainty and lack of focus during the integration process may also disrupt the combined company's business. Any inability of management to integrate successfully the operations of the two companies or to do so within a longer time frame than expected could have a material adverse effect on the combined company's business and operating results. The combined company may not be able to achieve the anticipated operating and cost synergies or long-term strategic benefits of the merger. An inability to realize the full extent of, or any of, the anticipated benefits of the merger, as well as any delays encountered in the integration process, could have an adverse effect on the combined company's business and operating results, which may affect the value of the combined company's shares after completion of the merger.

The success of the combined company after the merger will depend in part upon the ability of Uroplasty and Vision to retain key employees of each company. Competition for qualified personnel can be very intense. In addition, key employees may depart because of issues relating to the uncertainty or difficulty of integration or a desire not to remain with the combined company. Accordingly, no assurance can be given that key employees will be retained.

Uroplasty and Vision have not yet determined the exact nature of how the businesses and operations of the two companies will be combined after the merger. The actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized.

***The future results of the combined company will suffer if the combined company does not effectively manage its expanded operations following completion of the merger.***

Following completion of the merger, the size of the business of the combined company will increase significantly beyond the current size of either Uroplasty's or Vision's business. The combined company's future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings and other benefits currently anticipated from the merger.

***Uroplasty and Vision will incur direct and indirect costs as a result of the merger.***

Uroplasty and Vision will incur substantial expenses in connection with completing the merger, and over a period of time following completion of the merger, the combined company further expects to incur substantial expenses in connection with coordinating the businesses, operations, policies and procedures of Uroplasty and Vision. While Uroplasty and Vision have assumed that a certain level of transaction and coordination expenses will be incurred, there are a number of factors beyond the combined company's control that could affect the total amount or the timing of these transaction and coordination expenses. For example, as discussed under *The Merger – Appraisal and Dissenters' Rights*, Sections 471 and 473 of the MBCA entitle any holder of Uroplasty common stock as of the record date for the special meeting of Uroplasty shareholders, in lieu of receiving the merger consideration that such holder would otherwise be entitled pursuant to the merger agreement, to dissent from the merger and obtain payment in cash

for the fair value of the shares of Uroplasty common stock held by such holder. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately. These expenses may exceed the costs historically borne by Uroplasty and Vision.

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***Uroplasty's and Vision's actual financial positions and results of operations may differ materially from the unaudited pro forma financial data included in this joint proxy statement/prospectus.***

The pro forma financial information contained in this joint proxy statement/prospectus is presented for illustrative purposes only and may not be an indication of what the combined company's financial position or results of operations would have been had the transaction been completed on the dates indicated. The pro forma financial information was derived from the audited and unaudited historical financial statements of Uroplasty and Vision and certain adjustments and assumptions were made regarding the combined company after giving effect to the transaction. The assets and liabilities of Uroplasty and Vision were measured at fair value based on various preliminary estimates using assumptions that management believes are reasonable utilizing information currently available. The process for estimating the fair value of acquired assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. These purchase price estimates may be revised as additional information becomes available and as additional analyses are performed. Additionally, the value of the consideration deemed (for accounting purposes only) to be given by Uroplasty to complete the merger will be determined based on the trading price of Uroplasty's common stock at the time of the completion of the merger rather than the closing share price on February 9, 2015 used to determine the purchase price for illustrative purposes in the Unaudited Pro Forma Condensed Combined Financial Statements presented below. Differences between preliminary estimates in the pro forma financial information and the final acquisition accounting will occur and could have a material impact on the pro forma financial information and the combined company's financial position and future results of operations.

The assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the closing. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the share price of the combined company.

***The expected officers and directors of the combined company will have the ability to exercise significant control over the combined company.***

Following the effective time of the merger, the expected executive officers and directors of the combined company will own an aggregate of approximately 10.9% of the outstanding common stock of the combined company. Specifically, Mr. Pell, who is expected to serve as a director of the combined company, at his option, will have the right to convert the unpaid principal balance of the convertible promissory notes issued to Mr. Pell by Vision into 24,202,853 shares of common stock of the combined company. The notes, as amended, would not be convertible until three years following the merger, subject to certain exceptions described under *Vision Proposal No. 7 – Approval of Amendments to Pell Convertible Notes and Warrants* beginning on page 234. If Mr. Pell elects to convert the entire outstanding principal balance of the convertible promissory notes into shares of the common stock of the combined company and to exercise all of his common stock warrants, he would own approximately 27.2%, and the expected executive officers and directors of the combined company would own approximately 31.1%, of the outstanding common stock of the combined company based on the number of shares of common stock expected to be outstanding immediately following the effective time of the merger, without taking into account the effect of the proposed reverse stock split of Vision shares. As such, the directors and executive officers of the combined company may exercise significant control over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing a change in control of the combined company or forcing management to change its operating strategies, which may be to the benefit of management but not in the interest of the shareholders of the combined company.

***The market price of the combined company's shares after the merger may be affected by factors different from those currently affecting Uroplasty shares or Vision shares.***

Upon completion of the merger, holders of Uroplasty shares will become holders of Vision shares. The business of Uroplasty differs from that of Vision in important respects and, accordingly, the results of operations of the combined company and the market price of the combined company's shares following the merger may be affected by factors different from those currently affecting the independent results of operations of Uroplasty and Vision. For a discussion of the businesses of Uroplasty and Vision and of certain factors to consider in connection with those businesses, see *Information With Respect to Uroplasty's Business* and *Information With Respect to Vision's Business* beginning on pages 122 and 147, respectively.

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***If goodwill or other intangible assets that the combined company records in connection with the merger become impaired, the combined company could be required to take significant charges against earnings.***

In connection with the accounting for the merger, the combined company expects to record a significant amount of goodwill and other intangible assets. Under U.S. GAAP, the combined company must assess, at least annually and potentially more frequently, whether the value of its goodwill and other indefinite-lived intangible assets have been impaired. Amortizing intangible assets will be assessed for impairment in the event of an impairment indicator. Any impairment of the value of goodwill or other intangible assets will result in a charge against earnings, which could materially adversely affect the combined company's results of operations and shareholders' equity in future periods.

***If any of the events described in Risks Related to Uroplasty or Risks Related to Vision occur, those events could cause the potential benefits of the merger not to be realized.***

Following completion of the merger, the combined company will be susceptible to many of the risks described under *Risks Related to Uroplasty* and *Risks Related to Vision*. To the extent any of the events in the risks described in those sections occur, those events could cause the potential benefits of the merger not to be realized and the market price of the combined company's shares to decline.

### **Risks Related to Uroplasty**

***Uroplasty continues to incur losses and may never reach profitability.***

Uroplasty has incurred net losses in each of the last five fiscal years. As of December 31, 2014, Uroplasty had an accumulated deficit of approximately \$49.5 million primarily because of costs relating to the development, including seeking regulatory approvals, and commercialization of its products. Uroplasty expects its operating expenses relating to sales and marketing activities, product development and clinical trials, including an FDA-mandated post-market clinical study for its Macroplastique product, will continue during the foreseeable future. To achieve profitability, Uroplasty must generate substantially more revenue than it has in prior years. Uroplasty's ability to achieve significant revenue growth will depend, in large part, on its ability to achieve widespread market acceptance and third-party reimbursement for its products and successfully expand its business in the U.S. Uroplasty may never achieve substantial market acceptance, realize significant revenue from the sale of its products or be profitable.

***The use and acceptance of Uroplasty's products depends heavily upon the availability of third-party reimbursement for the procedures in which its products are used.***

In the U.S., healthcare providers that purchase medical devices, including Uroplasty's products, generally rely on third-party payers, including Medicare, Medicaid, private health insurance carriers and managed care organizations, to reimburse all or part of the cost and fees associated with the procedures performed using these devices. The commercial success of Uroplasty's products will depend on the ability of healthcare providers to obtain adequate reimbursement from third-party payers for the procedures in which Uroplasty's products are used. Third-party payers are increasingly challenging the coverage and pricing of medical products and procedures.

Even if a procedure is eligible for reimbursement, the level of reimbursement may not be adequate to justify the use of Uroplasty's products. In addition, third-party payers may deny reimbursement if they determine that the device used in the treatment was not cost-effective or was used for a non-approved indication, particularly if there is not a published Current Procedural Terminology, or CPT, code for reimbursement. For example, in 2009, the American Medical Association advised the medical community that the previously recommended Category 1 CPT code for percutaneous tibial nerve stimulation, or PTNS, treatments should be replaced with an unlisted code. As a result, many third-party insurers delayed or denied reimbursement for PTNS treatments, significantly impacting the sales of Uroplasty's Urgent

PC System, until a new code was effective in January 2011.

The availability of the Category 1 CPT code for PTNS treatments has encouraged broader use of Uroplasty's Urgent PC System, but it has not resulted in universal coverage and there can be no assurance that additional payers will agree to create coverage policies or that the policies, if they are created, will provide adequate reimbursement, that existing coverage will not again be challenged (as it was in fiscal 2009), or that government actions will not decrease the level of reimbursement.

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Reimbursement and healthcare payment systems in international markets vary significantly by country, with some countries offering government-sponsored healthcare or private insurance, or both. In many countries where there is government-sponsored healthcare reimbursement, decisions are made by individual hospitals with the government setting an upper limit of reimbursement. In most foreign countries, there are also insurance systems that may offer payments for alternative procedures. Uroplasty cannot be certain that it, or in countries in which it works with its distributors, those distributors, will successfully and cost-effectively manage all of these payment systems.

All third-party reimbursement programs, whether government-funded or insured commercially, inside the U.S. or outside, are developing increasingly sophisticated methods of controlling health care costs through prospective reimbursement and capitation programs, group purchasing, redesign of benefits, second opinions, careful review of bills, encouragement of healthier lifestyles and exploration of more cost-effective methods of delivering healthcare. These types of programs can potentially limit the amount that healthcare providers may be willing to pay for medical devices and could have a material adverse effect on Uroplasty's financial position and results of operations.

### ***Uroplasty cannot predict how quickly or how broadly the market will accept its products.***

In addition to the availability of third-party reimbursement, market acceptance of Uroplasty's products will depend on its ability to demonstrate the safety, clinical efficacy, perceived benefits, and cost-effectiveness of its products compared to products or treatment options of its competitors. Uroplasty cannot assure you that it will be successful in educating the marketplace about the benefits of its products. Uroplasty's Urgent PC System requires a new treatment protocol for the physicians and their staff to implement repeatedly. Even if customers accept Uroplasty's products, this acceptance may not translate into repeat sales if its customers do not fully adopt the new treatment protocol in their practice.

### ***Uroplasty is subject to changing federal and state regulations that could increase the cost of doing business or impose requirements with which it cannot comply.***

In response to perceived increases in health care costs in recent years, there have been and continue to be proposals by the federal government, state governments, regulators and third-party payers to control these costs and, more generally, to reform the U.S. healthcare system. Certain of these proposals could limit the prices Uroplasty is able to charge for its products or the amounts of reimbursement available for its products and could limit the acceptance and availability of its products, adversely affecting its financial position and results of operations.

### ***The 2010 Healthcare Reform Legislation imposes an excise tax on Uroplasty that it may be unable to recoup, and requires cost controls that may impact the rate of reimbursement for its products.***

Significant U.S. healthcare reform legislation, the Patient Protection and Affordable Care Act, as reconciled by the Health Care and Education Reconciliation Act of 2010 (collectively, the PPACA), was enacted into law in March 2010. Commencing January 1, 2013, the PPACA imposed on manufacturers or producers making sales of medical devices in the U.S., other than sales at retail for individual use, an excise tax. Uroplasty's U.S. net sales, all subject to the excise tax, represented approximately 73% of its worldwide consolidated net sales in fiscal 2014 and Uroplasty expects U.S. sales to continue to grow and become a greater proportion of its worldwide consolidated net sales. To the extent the clinics and physicians do not absorb increased costs represented by the tax because of reimbursement limitations, Uroplasty likely will not be able to offset the tax with increased revenue. Accordingly, the new tax will adversely affect its business, cash flows and results of operations. Although several bills have been proposed in U.S. Congress to eliminate the tax, including a bill passed by the U.S. Senate, most of these bills are tied to corresponding increases in taxes from other sources, and therefore face substantial opposition.

The PPACA also contains provisions aimed at improving the quality and decreasing the costs of healthcare. The Medicare provisions include value-based payment programs, increased funding of comparative effectiveness research, reduced hospital payments for avoidable readmissions and hospital acquired conditions, and pilot programs to evaluate alternative payment methodologies that promote care coordination (such as bundled physician and hospital payments). Additionally, the PPACA includes a reduction in the annual rate of reimbursement growth for hospitals that began in 2011 and provides for the establishment of an independent



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payment advisory board to recommend ways of reducing the rate of growth in Medicare spending beginning in 2014. Many of these provisions will not be effective for a number of years and there are many programs and requirements for which the details have not yet been fully established. Accordingly, although it remains impossible to predict the extent of the regulation and the full impact of the PPACA, any changes that lower reimbursement for Uroplasty's products or reduce medical procedure volumes could adversely affect its business and results of operations.

### ***Changes in regulatory policy, particularly at the FDA, might adversely affect Uroplasty's operations.***

The FDA has increased significantly the scrutiny applied to 510(k) submissions, and it may also focus more scrutiny on other regulation within its purview. The FDA and the U.S. Congress are influenced by high profile events, injuries and cases that generate publicity and public attention, and new legislation is often generated as a result of those events. There can be no assurance that new products Uroplasty introduces will not be delayed by the current level of scrutiny applied to applications at the FDA or that new laws and regulations will not be adopted that impact the cost of production and marketing of Uroplasty's existing products.

### ***If Uroplasty is not able to attract, retain and motivate its sales force and expand its distribution channels, its sales and revenues will suffer.***

In the U.S., Uroplasty has a sales organization consisting primarily of direct sales representatives, and a marketing organization to market its products directly and support its distributor organizations. Uroplasty expects to expand its sales and marketing organization, as needed, to support its growth. Uroplasty has and will continue to incur significant additional expenses to support this organization. Uroplasty cannot be certain that its sales organization will be able to generate sales of its Urgent PC System at levels that justify its expense, or even if it can, that Uroplasty will be able to recruit, train, motivate or retain qualified sales and marketing personnel. Except for Uroplasty's direct sales organization in the U.S., United Kingdom, The Netherlands, Switzerland and the Nordic countries, for other countries it sells its products through a network of independent distributors. Uroplasty's ability to increase product sales in foreign markets will largely depend on its ability to develop and maintain relationships with its distributors and on their ability to successfully market and sell its products. Uroplasty may not be able to retain distributors who are willing to commit the necessary resources to market and sell its products to the level of its expectations. Failure to maintain or expand Uroplasty's distribution channels or to recruit, retain and motivate qualified personnel could have a material adverse effect on its product sales and revenues.

### ***The size and resources of Uroplasty's competitors may render it difficult for Uroplasty to successfully compete in the marketplace.***

Uroplasty's products compete against similar medical devices and other treatment methods, including drugs, for treating voiding dysfunctions. Many of Uroplasty's competitors, which include some of the largest medical products and pharmaceutical companies in the world, have significantly greater financial, research and development, manufacturing and marketing resources than Uroplasty has. Uroplasty's competitors could use these resources to develop or acquire products that are safer, more effective, less invasive, less expensive or more readily accepted than Uroplasty's products. Their products could make Uroplasty's technology and products obsolete or noncompetitive. Uroplasty's competitors could also devote greater resources to the marketing and sale of their products and adopt more aggressive pricing policies than Uroplasty can.

### ***Uroplasty is primarily dependent on sales of two product lines and its business would suffer if sales of either of these product lines decline.***

Currently, Uroplasty is dependent on sales of its Urgent PC System and Macroplastique products. Net sales of Urgent PC System and Macroplastique accounted for approximately 61% and 34%, respectively, of Uroplasty's total net sales

in fiscal 2014, and 65% and 31%, respectively, of Uroplasty's total net sales for the nine-month period ended December 31, 2014. If demand for any or both of the product lines declines, Uroplasty's revenues and business prospects may suffer.

*Uroplasty may require additional financing and may find it difficult to obtain the financing on favorable terms, or at all.*

Uroplasty's future liquidity and capital requirements will depend on numerous factors, including: the timing and cost required to expand its sales, marketing and distribution capabilities in the U.S. markets; the cost and effectiveness of its marketing and sales efforts of its products in international markets; the effect of competing

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technologies and market, reimbursement and regulatory developments; the cost of research and development programs; and the cost involved in protecting its proprietary rights. Although Uroplasty currently has an adequate cash balance, it may need to raise additional financing to support its operations and planned growth activities in the future because it has yet to achieve profitability and generate positive cash flows. Any equity financing could substantially dilute the equity interests of shareholders in Uroplasty and any debt financing could impose significant financial and operational restrictions on Uroplasty. Uroplasty cannot assure you that it will obtain additional financing on acceptable terms, or at all.

***Uroplasty could be subject to fines and penalties, or required to temporarily or permanently cease offering products, if it fails to comply with the extensive regulations applicable to the sale and manufacture of medical products.***

The production and marketing of Uroplasty's products and its ongoing research and development, preclinical testing and clinical trial activities are subject to extensive regulation and review by numerous governmental authorities both in the U.S. and abroad. U.S. and foreign regulations applicable to medical devices are wide-ranging and govern, among other things, the testing, marketing and pre-market review of new medical devices, and the manufacturing practices, reporting, advertising, exporting, labeling and record keeping procedures. Uroplasty is required to obtain regulatory approval or clearance before it can market its products in the U.S. and certain foreign countries. The regulatory process requires significant time, effort and expenditures to bring Uroplasty's products to market, and Uroplasty cannot assure you that the regulatory authority it currently possesses to market its products will remain available, or that it will be able to obtain authority to sell new or existing products in new markets. Further, the manufacture and manufacturing facilities of medical products are subject to periodic reviews and inspection by the FDA and foreign regulatory authorities. Uroplasty's failure to comply with regulatory requirements could result in governmental agencies:

- imposing fines and penalties on Uroplasty;
- preventing Uroplasty from manufacturing or selling its products;
- bringing civil or criminal charges against Uroplasty;
- delaying the introduction of its new products into the market;
- enforcing operating restrictions on Uroplasty;
- recalling or seizing Uroplasty's products; or
- withdrawing or denying approvals or clearances for Uroplasty's products.

Even if Uroplasty receives regulatory approval or clearance of a product, the approval or clearance could limit the uses for which it may label and promote the product, which may limit the market for its products.

***Uroplasty's distributors may not obtain regulatory approvals in a timely basis, or at all.***

Uroplasty often relies on its distributors in countries outside the U.S. in seeking regulatory approval to market its products in particular countries. To the extent Uroplasty does so, it is dependent on persons outside of its direct control to make regulatory submissions and secure approvals, and it does or will not have direct access to health care agencies in those markets to ensure timely regulatory approvals or prompt resolution of regulatory or compliance matters. If Uroplasty's distributors fail to obtain the required approvals or do not do so in a timely manner, Uroplasty's sales from its international operations and its results of operations may be adversely affected.

***Uroplasty may not have the resources to successfully market its products, which would adversely affect its business and results of operations.***

The marketing of Uroplasty's products requires a significant amount of time and expense in order to identify the physicians who would use its products and to train a sales force that is large enough to interact with the targeted

physicians. The ease and predictability of third-party reimbursement significantly impacts the success of Uroplasty's marketing activities. Uroplasty may not have adequate resources to market its products successfully against larger competitors who have more resources than Uroplasty does. If Uroplasty cannot market its products successfully, its business and results of operations would be adversely affected.

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***If Uroplasty cannot attract and retain its key personnel and management team, it may not be able to manage and operate successfully, and it may not be able to meet its strategic objectives.***

Uroplasty's future success depends, in large part, upon its ability to attract and retain and motivate its management team and key managerial, scientific, sales and technical personnel. Key personnel may depart because of difficulties with change or a desire not to remain with Uroplasty. Uroplasty is highly dependent on its President and CEO and other senior management, and any unanticipated loss or interruption of their services could significantly reduce Uroplasty's ability to meet its strategic objectives because, given the intense competition for senior management and other key personnel, it may not be possible for Uroplasty to find appropriate replacement personnel should the need arise. The loss of a member of Uroplasty's senior management or its professional staff would require the remaining senior executive officers to divert immediate and substantial attention to seeking a replacement. There is no guarantee that Uroplasty will be successful in retaining its current personnel or in hiring or retaining qualified personnel in the future. Loss of key personnel or the inability to hire or retain qualified personnel in the future could have a material adverse effect on Uroplasty's ability to operate successfully. Further, any inability on Uroplasty's part to enforce non-compete arrangements related to key personnel who have left the company could have a material adverse effect on Uroplasty's business.

***If third parties claim that Uroplasty infringes upon their intellectual property rights, Uroplasty may incur liabilities and costs and may have to redesign or discontinue selling the affected product.***

The medical device industry is litigious with respect to patents and other intellectual property rights. Companies operating in Uroplasty's industry routinely seek patent protection for their product designs, and many of Uroplasty's principal competitors have large patent portfolios. Companies in the medical device industry have used intellectual property litigation to gain a competitive advantage. Whether a product infringes a patent involves complex legal and factual issues, the determination of which is often uncertain. Uroplasty faces the risk of claims that it has infringed on third parties' intellectual property rights. Uroplasty's efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement, even those without merit, could:

- be expensive and time consuming for Uroplasty to defend;
- result in Uroplasty being required to pay significant damages to third parties;
- cause Uroplasty to cease making or selling products that incorporate the challenged intellectual property;
- require Uroplasty to redesign, reengineer or rebrand its products, if feasible;
- require Uroplasty to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property, which agreements may not be available on terms acceptable to Uroplasty, or at all;
- divert the attention of Uroplasty's management; or
- result in Uroplasty's customers or potential customers deferring or limiting their purchases or use of the affected products until resolution of the litigation.

In addition, new patents obtained by Uroplasty's competitors could threaten its products' continued life in the market even after it has already been introduced.

***If Uroplasty is unable to adequately protect its intellectual property rights, it may not be able to compete effectively.***

Uroplasty's success depends in part on its ability to protect the proprietary rights to the technologies used in its products. Uroplasty relies on patent protection, as well as a combination of trademark laws and confidentiality, noncompetition and other contractual arrangements to protect its proprietary technology. However, these legal means afford only limited protection and may not adequately protect Uroplasty's rights or permit Uroplasty to gain or keep a competitive advantage. Uroplasty's patents and patent applications, if issued, may not be broad enough to prevent competitors from introducing similar products into the market. Uroplasty's patents, if challenged or if it attempts to

enforce them, may not necessarily be upheld by the courts. In addition, patent protection in foreign countries may be different from patent protection under U.S. laws and may not be favorable to Uroplasty.

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Uroplasty also relies on unpatented proprietary technology. Uroplasty cannot assure you that it can meaningfully protect all of its rights in its unpatented proprietary technology or that others will not independently develop substantially equivalent products or processes or otherwise gain access to Uroplasty's unpatented proprietary technology. Uroplasty attempts to protect its trade secrets and other unpatented proprietary technology through the use of confidentiality and noncompetition agreements with its current key employees and with other parties to whom it has divulged trade secrets. However, these agreements may not be enforceable or may not provide meaningful protection for Uroplasty's proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements or in the event competitors discover or independently develop similar proprietary information.

Efforts on Uroplasty's part to enforce any of its proprietary rights could be time-consuming and expensive, which could adversely affect Uroplasty's business and prospects and divert its management's attention.

### ***Product liability claims could adversely affect Uroplasty's business and results of operations.***

The manufacture and sale of medical devices exposes Uroplasty to significant risk of product liability claims, some of which may have a negative impact on its business. Any defects or risks that Uroplasty has not yet identified with its products may give rise to product liability claims. Uroplasty's existing \$10 million of worldwide product liability insurance coverage may be inadequate to protect it from liabilities it may incur or it may not be able to maintain adequate product liability insurance at acceptable rates. If a product liability claim or series of claims is brought against Uroplasty for uninsured liabilities or in excess of its insurance coverage and it is ultimately determined that it is liable, Uroplasty's business could suffer. Additionally, Uroplasty could experience a material design or manufacturing failure in its products, a quality system failure, other safety issues or heightened regulatory scrutiny that would warrant a recall of some of its products. A recall of any of Uroplasty's products likely would be costly, would be uninsured and could also result in increased product liability claims. Further, while Uroplasty trains its physician customers in the proper use of its products, Uroplasty cannot be certain that they will implement its instructions accurately. If Uroplasty's products are used incorrectly by its customers, injury may result and this could give rise to product liability claims against Uroplasty.

### ***Security breaches and other disruptions could compromise Uroplasty's information and expose it to liability, which would cause its business and reputation to suffer.***

In the ordinary course of Uroplasty's business, it uses its networks to collect and store sensitive data, including intellectual property, its proprietary business information and that of its customers, suppliers and business partners, personally identifiable information of its customers and employees, and data relating to patients who use its products. The secure processing, maintenance and transmission of this information is critical to Uroplasty's operations. Despite Uroplasty's security measures, its information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise Uroplasty's networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and regulatory penalties, disrupt Uroplasty's operations and the services it provides to customers, damage its reputation, and cause a loss of confidence in its products and services, which could adversely affect its operating margins, revenues and competitive position.

### ***The loss or interruption of materials from any of Uroplasty's key suppliers could delay the manufacture of its products, which would limit its ability to generate sales and revenues.***

Uroplasty currently purchases several key materials used in its products from single source suppliers, including the finished products for its Urgent PC System. If one of these suppliers delayed or curtailed shipments to Uroplasty, its ability to manufacture and deliver product would be impaired, its sales would decline or be curtailed for that product,

and Uroplasty would be forced to quickly locate an alternative source of supply. Uroplasty cannot be sure that acceptable alternative arrangements could be made on a timely basis. Further, Uroplasty's reliance on such suppliers and the cost and difficulty Uroplasty would encounter in qualifying an alternative subjects it to increased risk of price increase by single source suppliers. Additionally, the qualification of materials and processes as a result of a supplier change could be deemed as unacceptable to regulatory



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authorities and cause delays and increased costs due to additional test requirements. A significant interruption in the supply of materials, for any reason, could delay the manufacture and sale of Uroplasty's products, which would limit its ability to generate revenues.

***If Uroplasty is not able to maintain sufficient quality controls, regulatory approvals of its products by the European Union, Canada, the FDA or other relevant authorities could be delayed or denied and Uroplasty's sales and revenues will suffer.***

The FDA, European Union, Canada or other related authorities could stop or delay approval of production of products if Uroplasty's manufacturing facilities do not comply with applicable manufacturing requirements. The FDA's Quality System Regulations impose extensive testing, control, documentation and other quality assurance requirements. Canada and the European Union also impose requirements on quality systems of manufacturers, who are inspected and certified on a periodic basis and may be subject to additional unannounced inspections. Further, Uroplasty's suppliers are also subject to these regulatory requirements. Failure by any of Uroplasty's suppliers or Uroplasty to comply with these requirements could prevent Uroplasty from obtaining or retaining approval for and marketing of its products.

***If Uroplasty is not able to acquire or license other products, its business and future growth prospects could suffer.***

As part of Uroplasty's growth strategy, it intends to acquire or license additional products and technologies for development and commercialization. The success of this strategy depends upon Uroplasty's ability to identify, select and acquire the right products and technologies.

Products and technologies that Uroplasty licenses or acquires may require additional development prior to sale, including clinical testing and approval by the FDA and other regulatory bodies, and Uroplasty may encounter difficulty or delays in completing the development or receiving the necessary approvals. Uroplasty may find that the product or technology cannot be manufactured economically or commercialized successfully. Uroplasty may not be able to acquire or license the right to products on terms that it finds acceptable, or at all.

Even if Uroplasty completes future acquisitions, its business, financial condition and the results of operations could be negatively affected because:

- it may be unable to integrate the acquired business or products successfully and realize anticipated economic, operational and other benefits in a timely manner; and
- the acquisition may disrupt its ongoing business, distract its management team and divert its resources.

***Uroplasty's business strategy relies on assumptions about the market for its products, which, if incorrect, would adversely affect its business prospects and profitability.***

Uroplasty is focused on the market for minimally invasive therapies used to treat voiding dysfunctions. Uroplasty believes that the aging of the general population will continue and that these trends will increase the need for its products. However, the projected demand for Uroplasty's products could materially differ from actual demand if its assumptions regarding these trends and acceptance of its products by the medical community prove to be incorrect or do not materialize. Actual demand for Uroplasty's products could also be affected if drug therapies gain more widespread acceptance as a viable alternative treatment, which in each case would adversely affect Uroplasty's business prospects and profitability.

***Uroplasty derives a significant portion of its sales from outside of the U.S. and is subject to the risks of international operations.***

Uroplasty derived approximately 26% of its net sales in the nine-month period ended December 31, 2014 and approximately 27% of its net sales in its fiscal 2014 from customers and operations in international markets. The sale and shipping of Uroplasty's products and services across international borders, as well as the purchase of components and products from international sources, subject Uroplasty to a number of risks, including:

- the imposition of additional U.S. and foreign governmental controls or regulations;
- the imposition of costly and lengthy export licensing requirements;
- local political and economic instability;

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- fluctuations in the value of the U.S. dollar relative to foreign currencies;
- difficulties in recruiting and maintaining distributors and staff in remote locations, including sales people;
- changes in duties and tariffs, license obligations and other non-tariff barriers to trade;
- the imposition of new trade restrictions;
- the imposition of restrictions on the activities of foreign agents, representatives and distributors;
- foreign taxation compliance and penalties;
- pricing pressure that Uroplasty may experience internationally;
- laws and business practices favoring local companies;
- longer payment cycles;
- difficulties in enforcing agreements and collecting receivables through certain foreign legal systems; and
- difficulties in enforcing or defending intellectual property rights.

Uroplasty cannot assure you that one or more of these factors will not harm its business.

***Failure to comply with the U.S. Foreign Corrupt Practices Act could subject Uroplasty to, among other things, penalties and legal expenses that could harm its reputation and have a material adverse effect on its business, financial condition and operating results.***

Uroplasty is required to comply with the U.S. Foreign Corrupt Practices Act, or FCPA, which generally prohibits covered entities and their intermediaries from engaging in bribery or making other prohibited payments to foreign officials for the purpose of obtaining or retaining business or other benefits. In addition, the FCPA imposes accounting standards and requirements on publicly traded U.S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments, and to prevent the establishment of off books slush funds from which such improper payments can be made. Uroplasty also is subject to similar anticorruption legislation implemented in Europe under the Organization for Economic Co-operation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Uroplasty either operates or plans to operate in a number of jurisdictions that pose a high risk of potential violations of the FCPA and other anticorruption laws, and Uroplasty utilizes a number of distributors for whose actions Uroplasty could be held liable under the FCPA. Uroplasty informs its personnel, distributors and agents of the requirements of the FCPA and other anticorruption laws, including, but not limited to their reporting requirements. Uroplasty also has developed and will continue to develop and implement systems for formalizing contracting processes, performing due diligence on personnel, distributors and agents and improving its recordkeeping and auditing practices regarding these regulations. However, there is no guarantee that Uroplasty's personnel, distributors or agents have not or will not engage in conduct undetected by its processes and for which it might be held responsible under the FCPA or other anticorruption laws.

If Uroplasty's personnel, distributors or agents are found to have engaged in such practices, Uroplasty could suffer severe penalties, including criminal and civil penalties, disgorgement and other remedial measures, including further changes or enhancements to its procedures, policies and controls, as well as potential personnel changes and disciplinary actions. During the past few years, the SEC has increased its enforcement of violations of the FCPA against companies, including several medical device companies. Although Uroplasty does not believe it is currently a target, any investigation of any potential violations of the FCPA or other anticorruption laws by U.S. or foreign authorities also could have an adverse impact on Uroplasty's business, financial condition and operating results.

Certain foreign companies, including some of Uroplasty's competitors, are not subject to prohibitions as strict as those under the FCPA or, even if subjected to strict prohibitions, such prohibitions may be laxly enforced in practice. If Uroplasty's competitors engage in corruption, extortion, bribery, pay-offs, theft or other fraudulent

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practices, they may receive preferential treatment from personnel of some companies, giving Uroplasty's competitors an advantage in securing business, or from government officials, who might give them priority in obtaining new licenses, which would put Uroplasty at a disadvantage.

***Uroplasty's stock is thinly traded and you may find it difficult to sell your investment in Uroplasty's stock at quoted prices.***

There is only a limited trading market for Uroplasty's common stock, which is quoted on the NASDAQ Capital Market. Transactions in Uroplasty's common stock may lack the volume and liquidity necessary to maintain an orderly trading market and this could result in both depressed and highly variable trading prices.

***Uroplasty's stock price may fluctuate and be volatile.***

The market price of Uroplasty's common stock may be subject to significant fluctuations due to the following factors, among others:

- variations in Uroplasty's quarterly financial results;
- developments regarding regulatory clearances or approvals of Uroplasty's products;
- market acceptance of Uroplasty's products;
- the success of Uroplasty's efforts to acquire or license additional products;
- announcements of new products or technologies by Uroplasty or its competitors;
- developments regarding Uroplasty's patents and proprietary rights or those of its competitors;
- developments in U.S. or international reimbursement systems;
- changes in accounting standards, policies, guidance or interpretations;
- sales of substantial amounts of Uroplasty's stock by existing shareholders; and
- general economic conditions.

The stock market in recent years has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of affected companies. These broad market fluctuations may cause the price of Uroplasty's common stock to fall abruptly or remain significantly depressed.

***Future sales of Uroplasty's common stock in the public market could lower its share price.***

The market price of Uroplasty's common stock could decline due to sales by its existing shareholders of a large number of shares of its common stock or the perception that these sales could occur. These sales could also make it more difficult for Uroplasty to raise capital through the sale of common stock at a time and price it deems appropriate.

***Uroplasty's corporate documents and Minnesota law contain provisions that could discourage, delay or prevent a change in control of Uroplasty.***

Provisions in Uroplasty's articles of incorporation may discourage, delay or prevent a merger or acquisition, even if its shareholders consider the terms favorable. Uroplasty's articles of incorporation provide for a staggered board of directors, requiring its directors to serve for three-year terms, with approximately one third of the directors standing for reelection each year. A staggered board could make it more difficult for a third party to obtain control of the Uroplasty board of directors through a proxy contest, which may be a necessary step in an acquisition of Uroplasty that is not favored by its board of directors.

Uroplasty is also subject to the anti-takeover provisions of Section 673 of the MBCA. Under these provisions, if anyone becomes an interested shareholder in a transaction not approved by a committee consisting of disinterested members of the Uroplasty board of directors, Uroplasty may not enter into a business combination with that person for

four years, which could discourage a third party from making a takeover offer and could delay or prevent a change of control. For purposes of Section 673, interested shareholder generally means someone owning 10% or more of Uroplasty's outstanding voting stock or an affiliate of Uroplasty's that owned 10% or more of its outstanding voting stock during the past four years, subject to certain exceptions.

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### ***Uroplasty does not intend to declare dividends on its stock in the foreseeable future.***

Uroplasty has never declared or paid cash dividends on its common stock. Uroplasty currently intends to retain all future earnings, if any, for the operation and expansion of its business and, therefore, does not anticipate declaring or paying cash dividends on its common stock in the foreseeable future. Any payment of cash dividends on Uroplasty's common stock will be at the discretion of its board of directors and will depend upon its results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions and other factors deemed relevant by the Uroplasty board of directors. Therefore, you should not expect to receive dividend income from shares of Uroplasty's common stock.

### **Risks Related to Vision**

#### ***Vision has a history of operating losses, it may not achieve or maintain profitability in the future, and it will require additional financing, which may not be available on acceptable terms or at all.***

Vision has incurred substantial operating losses since its inception and there can be no assurance that it will ever achieve or sustain a profitable level of operations in the future. Vision anticipates that it will continue to incur negative cash flow from operations during fiscal 2015, driven by continued investment in a direct sales force for the U.S. market, spending for marketing, revitalizing a research and development pipeline, and general business operations. As of December 31, 2014, Vision had cash and cash equivalents totaling approximately \$1.5 million. Vision expects that its cash at December 31, 2014, together with the (i) \$1.0 million of capital remaining available under the convertible promissory note issued to Lewis C. Pell on June 16, 2014 (the 2014 Note ) and (ii) \$2.5 million of capital to be made available to Vision under a letter agreement dated October 28, 2014 with Mr. Pell, should be sufficient to fund its operations through at least December 31, 2015. However, if Vision's performance expectations fall short (including its failure to generate expected levels of sales) or its expenses exceed expectations, Vision will need to secure additional financing and/or reduce its expenses to continue its operations. Vision's failure to do so would have a material adverse impact on its prospects and financial condition. There can be no assurance that any contemplated additional financing will be available on terms acceptable to it, if at all. If required, Vision believes it would be able to reduce expenses to a sufficient level to continue to operate as a going concern.

#### ***Vision's failure to effectively expand its marketing efforts may materially and adversely affect its business, prospects, and brand.***

Vision's marketing efforts span five broad medical markets: urology, pulmonology, surgery, gastroenterology, and ear, nose and throat. Vision cannot assure you that it will be able to build its brand effectively to its end users in each of the markets that it serves. If Vision does not succeed, its sales could fail to grow or could even decline, and its ability to grow its business could be adversely affected. The expansion of its marketing efforts will require an investment of financial resources and management efforts, and the benefits, if any, which it gains from such expansion, may not be sufficient to generate an adequate return on its investment.

#### ***Vision may not succeed in sustaining a market for its videoscopes.***

The long-term success of Vision's videoscope system depends on several factors, including:

- its ability to successfully promote product awareness of its videoscopes;
- its ability to manufacture products in a timely and cost effective fashion on acceptable terms;
- competitive pricing of its videoscopes and add-on components;
- its ability to develop new applications to expand its family of videoscopes;
- retaining and growing an effective direct sales force in the U.S.;

- selecting and managing effective distributors internationally;
- the ability of Stryker Corporation, or Stryker, to sell Vision's video ureteroscopes to Stryker's end customers;
- obtaining additional regulatory approvals or clearances for new components or systems in a timely manner;

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- the relative costs and reimbursement profile, and benefits of procedures using Vision's videoscope system as compared to other procedures; and
- the financial or other benefits gained by doctors that use Vision's videoscopes with its EndoSheath disposables.

Existing videoscope technology is a well-established method for obtaining clinical diagnoses. As a result, Vision's videoscopes are competing in a market in which there are already several established industry players. Vision cannot assure you that it will be able to successfully market or sell its videoscopes in the future. Vision also cannot assure you that its videoscopes or any future enhancements to its videoscopes will generate adequate revenue to offset its investments and costs in acquiring, developing or marketing its videoscopes. If there is insufficient demand for Vision's videoscopes, its business, financial condition and results of operations would be materially adversely affected. In addition, any announcement of new products, services or enhancements by Vision or its competitors may cause its customers to cancel or postpone purchasing decisions for its existing products in anticipation of these new products, services or enhancements.

***Vision's supply agreement with Stryker may not meet its expectations.***

Under its agreement with Stryker, Vision supplies to Stryker its flexible video ureteroscopes for a term of three years after the launch of this product, which occurred in December 2012. Stryker has the worldwide exclusive rights to distribute this product. There can be no assurance of the quantity of products Stryker will purchase from Vision or whether Stryker will succeed in marketing and selling these products. If Stryker does not purchase products from Vision or is unsuccessful in marketing or selling this product, Stryker will not be able to distribute this product to others and Vision could generate little or no revenue from the Stryker agreement. There also can be no assurance that Stryker will agree to distribute Vision's ureteroscopes beyond the current expiration of the existing agreement in December 2015.

***If Vision fails to effectively manage its sales force or its distribution network, its business, prospects, and brand may be materially and adversely affected.***

Vision sells its products through a combination of a direct sales force and independent distributors. Vision cannot assure you that it will be able to build and grow an effective direct sales force or successfully develop its relationships with third-party, independent distributors. The expansion of its sales force and distribution network requires an investment of financial resources and management efforts, and the benefits, if any, which Vision gains from such expansion, may not be sufficient to generate an adequate return on its investment. If Vision fails to build and manage an effective direct sales force or successfully develop, maintain, and manage Vision's relationships with distributors, its sales could fail to grow or could even decline and this would have a material adverse impact on its business and financial condition.

In addition, Vision has a limited ability to direct or influence the activities of its third-party, independent distributors. Its distributors could take one or more of the following actions, any of which could have a material adverse effect on its business, prospects and brand:

- sell products that compete with Vision products in breach of their non-competition agreements with Vision;
- fail to adequately promote Vision products; or
- fail to provide proper service to Vision's end users.

If Vision is unable to adequately manage its distribution network, or if its distributors fail to meet their obligations under their agreements with Vision, Vision's corporate image among end users of its products could be damaged, resulting in a failure to meet its sales goals. In addition, foreign governments have increased their anti-bribery efforts in the healthcare sector to reduce improper payments received by hospital administrators and doctors in connection with the purchase of pharmaceutical products and medical devices. Vision is subject to the regulations of the Foreign



Corrupt Practices Act and is required to monitor its activities associated with its foreign sales. To Vision's knowledge, none of its distributors engages in corrupt practices. However, its distributors may violate these laws or otherwise engage in illegal practices with respect to their sales or marketing of Vision's products which would adversely affect its corporate image and business.

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### ***Vision expects gross margins to vary over time, and its level of product gross margins may not be sustainable.***

The current levels of Vision's product gross margins may not be sustainable and may continue to be adversely affected by numerous factors, including:

- obsolescence of components or products due to sales trends and new product introductions;
- its ability to reduce supply and production costs;
- increases in material or labor costs;
- changes in shipment volume;
- loss of cost savings due to changes in component pricing, including the impact of foreign exchange rates for components purchased overseas;
- changes in distribution channels;
- increased warranty costs; and
- the uncertainty of the timing and amounts for recognizing Vision's specified margin of Stryker's gross profit after Stryker sells the products to their end customers.

### ***Vision's costs could substantially increase if it experiences a significant number of warranty claims or recall events.***

Vision provides 12-month product warranties against technical defects of its fiberscopes and videoscopes, and it offers a lifetime warranty for the LED light source on its videoscopes. Vision's product warranty requires it to repair defects arising from product design and production processes, and if necessary, replace defective components. The costs associated with its warranty claims have historically been relatively low, averaging around 2.5% of its endoscope sales for its medical segment and 1.6% of its borescope sales for its industrial segment over the past three fiscal years. Thus, Vision generally does not accrue a significant liability contingency for potential warranty claims.

If Vision experiences an increase in warranty claims, or if its repair and replacement costs associated with warranty claims increase significantly, it will begin to incur liabilities for potential warranty claims after the sale of its products at levels that it has not previously incurred or anticipated. An increase in the frequency of warranty claims or amount of warranty costs may harm its reputation and could have a material adverse effect on its financial condition and results of operations as could product efficacy or safety concerns, whether or not based on scientific evidence, resulting in product withdrawals, recalls, regulatory action on the part of the FDA (or international counterparts) or declining sales.

### ***Currency exchange rate fluctuations could adversely affect Vision's operating results.***

Because some of Vision's business includes international business transactions, costs and prices of its products or components in overseas countries are affected by foreign exchange rate changes. As a result, foreign exchange rate fluctuations may adversely affect its business, operating results and financial condition.

Currently, Vision does not enter into foreign exchange forward contracts and it does not hedge anticipated foreign currency cash flows.

### ***Vision operating results could be negatively impacted by economic, political or other developments in countries in which it does business.***

Vision's business requires it to move products and components across international borders. Any events that interfere with, or increase the costs of, the transfer of goods across international borders could have a material adverse effect on its business.

Vision transports some of its goods across international borders, primarily those of the U.S., Canada, Europe, Japan, and Israel. There continues to be more intense scrutiny of goods that are transported across international borders. As a result, it may face delays, and increase in costs due to such delays in delivering goods to its customers. These delays can also affect incoming components, which could impact timely manufacture of goods for sale. Any events that interfere with, or increase the costs of the transfer of goods across international borders could have a material adverse effect on its business.

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### ***Vision is exposed to credit risk of some of its customers.***

Most of Vision's sales are on an open credit basis, with typical payment terms of 30 days in the U.S. (except for 45-day terms with Stryker) and, because of local customs or conditions, longer in some markets outside the U.S. Vision monitors individual customer payment capability in granting such open credit arrangements, seeks to limit such open credit to amounts it believes the customers can pay, and maintains reserves it believes are adequate to cover exposure for doubtful accounts. Beyond its open credit arrangements, Vision has also experienced demands for customer financing and facilitation of leasing arrangements, which it refers to leasing companies unrelated to it.

Vision's exposure to the credit risks may increase due to the current economic slowdown. Although Vision has programs in place that are designed to monitor and mitigate the associated risk, there can be no assurance that such programs will be effective in reducing Vision's credit risks. Future credit losses, if incurred, could harm its business and have a material adverse effect on its operating results and financial condition. Vision maintains estimated allowances for its business terms. However, distributors tend to have more limited financial resources than other resellers and end-user customers and therefore represent potential sources of increased credit risk because they may be more likely to lack the reserve resources to meet payment obligations.

### ***Failure to obtain sourcing of critical components on acceptable terms will have a material adverse effect on Vision's results of operations and financial condition.***

In Vision's medical and industrial segments, certain components for its fiberscopes and videoscopes are generally only available from one source with which it does not have a short- or long-term agreement for purchases. Vision's inability to obtain any of these parts could delay or prevent it from making and selling products, which would have a material and adverse effect on its financial condition and results of operations.

In addition, the success of its videoscope sales will depend in part on its ability to manufacture these videoscopes in sufficient quantities and with sufficient quality to meet customer demand. Vision does not have fixed long term supply agreements with its suppliers for components and subassemblies for its videoscopes. The failure or inability of one of these key suppliers to meet Vision's production quantity and quality needs on terms that are acceptable to it, if at all, could have a material adverse effect on the sales of its videoscopes, their acceptance into the marketplace and its long-term prospects.

In its industrial segment, borescopes are assembled using components and subassemblies purchased from independent vendors. While most components and subassemblies are currently available from more than one supplier, certain critical components are currently purchased only from limited key suppliers with which Vision does not have long or short term contracts. Vision's failure to obtain a sufficient quantity of such components on favorable terms could materially adversely affect sales in its industrial segment.

### ***Vision's stock price is volatile, and you may not be able to sell your shares for a profit.***

The trading price of Vision common stock is highly volatile. Its common stock price could be subject to fluctuations in response to a number of factors, including:

- actual or anticipated variations in operating results;
- conditions or trends in the medical device market;
- announcements by Vision or its competitors of significant customer wins or losses, gains or losses of distributors;
- technological innovations, new products or services;
- additions or departures of key personnel;

- actual or expected sales of a large number of shares of its common stock;
- availability of sources of capital;
- adverse litigation;
- unfavorable legislative or regulatory decisions;
- variations in interest rates;

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- general market conditions;
- availability of components on acceptable terms;
- availability of distributor arrangements on favorable terms; and
- any of the other factors described in this *Risks Related to Vision* section of the joint proxy statement/prospectus.

In addition, the stock market in general, the NASDAQ Capital Market, and the market for shares of novel technology and medical device companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Further, the market prices of life science companies have been unusually volatile in recent years, and such volatility may continue for the foreseeable future. These broad market and industry factors may materially harm the market price of Vision common stock, regardless of its operating performance. In addition, this volatility and the low level of market liquidity for Vision common stock could adversely affect an investor's ability to sell shares of its common stock and the available price for such shares, at any given time.

In the past, companies that have experienced volatility in the market price of their stock have been the target of securities class action litigation. Vision may become the target of this type of litigation in the future. Securities litigation against it could result in substantial costs and divert management attention, which could seriously harm its business.

***Vision common stock is thinly traded, so you may be unable to sell at or near ask prices or at all if you need to sell your shares to raise money or otherwise desire to liquidate your shares.***

Vision common stock is thinly traded, meaning there has been a low volume of buyers and sellers of the shares. Although Vision continues to undertake efforts to develop its market recognition and support for its shares of common stock in the public market, the price and volume for its common stock cannot be assured. The number of persons interested in purchasing Vision common stock at or near ask prices at any given time may be relatively small or non-existent. This situation may be attributable to a number of factors, including the fact that Vision is a small company that is relatively unknown to stock analysts, stockbrokers, institutional investors and others in the investment community that generate or influence sales volume. Even if it captures the attention of these persons, they may be risk-averse and would be reluctant to follow a company such as Vision or purchase or recommend the purchase of its shares until such time as its share price and volume becomes more viable. As a consequence, there may be periods of several days, weeks or months when trading activity in Vision shares is minimal or non-existent, as compared to a seasoned issuer with a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. Vision cannot give any assurance that a broader or more active public trading market for its common stock will develop or be sustained, or that current trading levels will be sustained or not diminish.

***Vision's officers and directors have the ability to exercise significant control over the company.***

As of February 9, 2015, Vision's officers and directors owned an aggregate of approximately 39% of outstanding Vision shares. Under a convertible note dated September 19, 2012 (the Replacement Note), Mr. Pell, at his option, has the right to convert the unpaid principal balance, which was \$20.0 million as of February 9, 2015, into 16,666,666 Vision shares. Under a convertible note dated September 25, 2013 (the 2013 Note), Mr. Pell, at his option, has the right to convert the unpaid principal balance, which was \$3.5 million as of February 9, 2015, into additional 3,932,584 Vision shares. Under the 2014 Note, Mr. Pell, at his option has the right to convert the unpaid principal balance, which was \$4.0 million as of February 9, 2015, into additional 3,603,603 Vision shares. Mr. Pell also has warrants to purchase an aggregate of 1,880,620 Vision shares at a weighted average exercise price of \$1.86 per share. The conversion of the Replacement Note, the 2013 Note and the 2014 Note and exercise of the warrants would increase the aggregate ownership of Vision's officers and directors (assuming that the other directors and officers of Vision exercise their options) to approximately 61% of outstanding Vision shares. As such, Vision's directors and officers

exercise significant control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing a change in control of Vision or forcing management to change its operating strategies, which may be to the benefit of management but not in the interest of the shareholders.

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***Vision's medical products and manufacturing practices are subject to regulation by the FDA and by other state and foreign regulatory agencies.***

Vision's medical products are subject to extensive regulation in the U.S. and in the foreign countries where it does business. There can be no assurance that the required regulatory clearances will be obtained, and those obtained may include significant limitations on the uses of the product in question. In addition, changes in existing regulations or the adoption of new regulations could make Vision's regulatory compliance more difficult in the future. The failure to obtain required regulatory clearances or to comply with applicable regulations may result in fines, delays, suspensions of clearances, seizures, recalls of products, operating restrictions or criminal prosecutions, and could have a material adverse effect on Vision's operations.

***Reimbursement from third-party healthcare payors is uncertain because of factors beyond Vision's control, and changes in third-party healthcare payors' policies could adversely affect its sales growth.***

In the U.S. and other foreign countries, government-funded or private insurance programs, or third-party payors, pay a significant portion of the cost of a patient's medical expenses. There is no uniform policy of reimbursement among all these payers. Vision believes that reimbursement is an important factor to the success of its product sales.

All U.S. and foreign third-party reimbursement programs, whether government funded or commercially insured, are developing increasingly sophisticated methods of controlling healthcare costs through prospective reimbursement and capitation programs, group purchasing, redesign of benefits, careful review of bills, and exploring more cost-effective methods of delivering healthcare. These types of programs can potentially limit the amount which healthcare providers may be willing to pay for its products.

There can be no assurance that third-party reimbursement will continue to be available for procedures performed with Vision's products. In addition, reimbursement standards and rates may change. Vision believes that the failure of users of its products to obtain adequate reimbursement from third-party payors has had a materially adverse effect on its sales, as there is no separate reimbursement code for its EndoSheath disposable.

***Vision may not be able to protect its intellectual property rights or technology effectively.***

Vision's success depends in part on its ability to maintain patent protection for its products, to preserve its trade secrets and to operate without infringing the proprietary rights of third parties. There can be no assurance that measures Vision has taken to protect its proprietary information will prevent the unauthorized disclosure or use of this information or that others will not be able to independently develop such information. In addition, if another party infringes Vision's patent rights or other proprietary rights, the enforcement of such rights is at Vision's option and can be a lengthy and costly process, with no guarantee of success. Moreover, there can be no assurance that claims alleging Vision's infringement of another's proprietary rights will not be brought against Vision in the future or that any such claims will not be successful. If Vision is unable to maintain the proprietary nature of its technologies, its ability to market or be competitive with respect to some or all of its products may be affected, which could reduce its sales and affect its ability to become profitable.

There can be no assurance that its pending patent applications will result in patents being issued or that its competitors will not circumvent, or challenge the validity of, any patents issued to Vision.

Some of the technology used in, and that may be important to, Vision's products is not covered by any patent or patent application. Vision seeks to maintain the confidentiality of its proprietary technology by requiring its employees to sign confidentiality agreements, and by limiting access by outside parties to such confidential information. However, there can be no assurance that these measures will prevent the unauthorized disclosure or use of this information, or



that others will not be able to independently develop such information. Moreover, as is the case with Vision's patent rights, the enforcement of its trade secret rights can be lengthy and costly, with no guarantee of success.

*Competition in Vision's industry is intense, and many of its competitors have greater resources than Vision does.*

The flexible endoscopes and related products Vision currently sells and develops face competition primarily from medical products companies, such as Olympus, Pentax, and Karl Storz. The principal competitors for Vision's industrial products are Olympus, General Electric Inspection Technologies, and Karl Storz Industrial. In

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addition, any company that is able to significantly redesign conventional flexible endoscopes to simplify the cleaning process, or significantly improve the current methods of cleaning flexible endoscopes, would provide competition for Vision's products.

Many of its competitors and potential competitors have far greater financial resources, experience, research and development personnel, and manufacturing and marketing capabilities than Vision has. Vision's competitors could utilize their greater financial resources to acquire other companies to gain enhanced name recognition and market share, as well as to develop or acquire new technologies or products that could effectively compete with its product lines. In addition, it is possible that other large healthcare companies may enter the flexible endoscope market in the future.

Vision's ability to compete effectively depends upon its ability to distinguish its brand and its products from its competitors and their products and to obtain adequate reimbursement for procedures performed using its products. Factors affecting Vision's competitive position include:

- ability to sell products tailored to meet the applications needs of its customers and patients;
- sales, marketing, and distribution capabilities;
- product performance and design;
- quality of customer support;
- product pricing;
- product safety;
- success and timing of new product development and introductions; and
- intellectual property protection.

***New product development in the medical device and supply industry is costly and labor intensive and has a very low rate of successful commercialization.***

Vision's success will depend in part on its ability to enhance its existing products and technologies and to develop and acquire new products. The development process for medical technology is complex, uncertain, time consuming, and costly. Product development requires the accurate assessment of technological and market trends as well as precise technological execution. Vision cannot assure you that (i) its product or technology development will be successfully completed; (ii) necessary regulatory clearances or approvals will be granted by the FDA or other regulatory bodies as required on a timely basis, or at all; or (iii) any product or technology Vision develops can be commercialized or will achieve market acceptance.

Vision may also be unable to locate suitable products or technologies to acquire or acquire such products or technologies on commercially reasonable terms. Failure to develop or acquire, obtain necessary regulatory clearances or approvals for, or successfully commercialize or market potential new products or technologies could have a material adverse effect on Vision's financial condition and results of operations.

***If Vision does not continue to develop and commercialize new products and identify new markets for its products and technologies it may not remain competitive, and its revenues and operating results could suffer.***

Vision's industry is subject to continuous technological development and product innovation. If Vision does not continue to innovate in developing new products and applications, its competitive position will likely deteriorate as other companies successfully design and commercialize new products and applications. Accordingly, Vision's success depends in part on developing new and innovative applications of its technology and identifying new markets for and applications of existing products and technology. While Vision has reduced its research and development expenditures in an effort to focus its resources on marketing and selling its existing lines of products, if it is unable to continue to develop and commercialize new products and identify new markets for its products and technology, its products and

technology could become obsolete and its revenues and operating results could be adversely affected.

Vision has spent a significant amount of time and resources on research and development projects, in an effort to develop and validate new and innovative products. While it believes that these projects will result in the manufacturing of new products and will create additional future sales, many factors including development

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delays, regulatory delays, safety concerns or patent disputes could prevent or delay the introduction or marketing of new products. Unanticipated issues may arise in connection with current and future clinical studies which could delay or terminate a product's development prior to regulatory approval. Vision may also experience an unfavorable impact on its operating results if it is unable to capitalize on those efforts by attaining on a timely basis the proper FDA approval or other foreign regulatory approvals or to successfully market new products, including the new family of videoscope products or other flexible endoscope products.

***Product quality problems could lead to reduced revenue, gross margins and net income.***

Vision produces highly complex videoscope products that incorporate sophisticated technology, including hardware and software. Software typically contains bugs that can unexpectedly interfere with operations. Its quality assurance testing programs may not be adequate to detect all defects, either ones in individual products or ones that could affect numerous shipments, which might interfere with customer satisfaction, reduce sales opportunities, increase warranty repairs, or reduce gross margins. In the past, Vision has had to replace certain components and provide remediation in response to the discovery of defects or bugs in products that it had shipped. There can be no assurance that such a remediation, depending on the product involved, would not have a material impact. An inability to cure a product defect could result in the failure of a product line, a product recall, temporary or permanent withdrawal of a product from a market, damage to its reputation, inventory costs or product reengineering expenses, any of which could have a material impact on its revenue, margins, and net income.

***Product liability suits against Vision may result in expensive and time consuming litigation, payment of substantial damages, an increase in its insurance rates, and damage to its reputation, regardless of their merit.***

The development, manufacture, and sale of Vision's products involve a significant risk of product liability claims. Vision maintains product liability insurance and believes that its level of coverage is adequate, given its business, products, past sales levels, its anticipated sales levels for fiscal 2015 and its claims experience. Vision evaluates annually the adequacy of the coverage of all its insurance policies and adjusts its coverage accordingly. There can be no assurance that product liability insurance will continue to be available to Vision on acceptable terms, or that product liability claims in excess of its insurance coverage, if any, will not be successfully asserted against it in the future.

***Vision's inability to continue to hire and retain key employees could have a negative impact on its future operating results.***

Vision's success depends on the services of its senior management team and other key employees in its research and development, manufacturing, operations, accounting, and sales and marketing departments. If Vision is unable to recruit, hire, develop and retain a talented, competitive work-force, it may not be able to meet its strategic business objectives.

***Rapid growth and a rapidly changing operating environment may strain its limited resources.***

Vision's growth strategy includes its efforts to increase its marketing and sales efforts to build its revenues and brand, develop new products, and increase market penetration of its videoscopes. This growth strategy requires significant capital resources, and Vision may not generate an adequate return on its investment. Vision's growth may involve the acquisition of new technologies, businesses, products or services, or the creation of strategic alliances. This could require its management to develop expertise in new areas, manage new business relationships and attract new types of customers. Vision may also experience difficulties integrating any acquired businesses, products or services into its existing business and operations. The success of Vision's growth strategy also depends in part on its ability to utilize its financial, operational and management resources and to attract, train, motivate and manage an increasing number

of employees. The success of Vision's growth strategy depends on a number of internal and external factors, such as:

- the growth of its addressable market for medical devices and supplies;
- availability of capital;
- the availability and levels of reimbursement by third-party payors to physicians for each of its medical products;

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- ability to maintain patents and other proprietary rights;
- the effectiveness of its direct sales force in the U.S.;
- its ability to simultaneously develop and enhance a new line of fiber-based scopes and expand its videoscope family;
- increased customer awareness and acceptance of its products;
- continued enhancement of its research and development capabilities;
- competition from other manufacturers of similar devices; and
- competition from other companies that offer these products.

Vision may not be able to implement its growth strategy successfully or manage its expansion effectively. Further, as Vision ramps up its manufacturing operations to accommodate its planned growth, it may encounter difficulties associated with increasing production scale, including shortages of qualified personnel to operate its equipment, assemble its products or manage manufacturing operations, as well as shortages of key raw materials or components for its products. In addition, Vision may also experience difficulties in producing sufficient quantities of products or in achieving desired product quality. If Vision is unable to successfully operate and manage its manufacturing operations to meet its needs, it may not be able to provide its customers with the quantity or quality of products they require in a timely manner. Any loss of customers may result in reduced product sale revenues and could have a material adverse effect on its business.

### ***Vision faces risks from selling its products in numerous international markets.***

Vision's operating results may suffer if it is unable to manage its international sales and marketing activities effectively. It sells some of its products in foreign countries, and is therefore is subject to risks associated with having international sales, such as:

- foreign certification and regulatory requirements;
- maintenance of agreements with competent distributors;
- import and export controls;
- currency exchange fluctuation; and
- political and economic instability.

Net sales to customers outside of the U.S. were approximately \$5.7 million and \$4.3 million for fiscal year 2014 and the nine month period ended December 31, 2014, respectively, representing 33% and 34% of total net sales for the fiscal year 2014 and the nine month period ended December 31, 2014, respectively.

### ***Conditions in Israel affect its operations and may limit its ability to produce and sell its products.***

Currently, Vision uses subcontractors in Israel to develop and produce some of its components and parts, the most material of which is Applitec Ltd., for parts of its videoscopes and digital processing units. Political, economic, and military conditions in Israel may therefore have a direct influence on Vision. Vision's operations could be adversely affected by current hostilities involving Israel and the Hamas, a U.S. State Department-designated foreign terrorist organization. The interruption or curtailment of trade between Israel and its trading partners, or a significant downturn in the economic or financial condition of Israel, may adversely affect the flow of vital components from its Israeli subcontractors to Vision. Any hostilities related to Israel could have a material adverse effect on Vision's business and on its share price.

In addition, because some of the components of its manufacturing and research and development subcontractors are located in Israel, Vision could experience disruption of its manufacturing, and research and development activities due to terrorist attacks or other hostilities. If its business activities would be disrupted, its revenues would be severely impacted. Vision business interruption insurance may not adequately compensate it for losses that may occur, and any losses or damages it sustained could have a material adverse effect on its business.



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***Vision's industrial segment's financial performance is substantially dependent on the conditions of the commercial aviation industry.***

The results of its industrial segment, which generated approximately 17% and 20% of its net sales in fiscal 2014 and the nine month period ended December 31, 2014, respectively, are influenced by a number of external factors including general economic conditions in the U.S. and internationally, and are directly tied to the economic conditions in the commercial aviation and defense industries, which are cyclical in nature, and airlines' financial performance can also be influenced by production and utilization of transport equipment.

The challenging operating environment currently faced by commercial airlines is expected to continue. As a result, capital spending by commercial airlines and aircraft manufacturers may be influenced by a wide variety of factors, including current and predicted traffic levels, load factors, aircraft fuel pricing, labor issues, worldwide airline profits, airline consolidation, airline insolvencies, competition, the retirement of older aircraft, regulatory changes, terrorism and related safety concerns, general economic conditions, corporate profitability, and backlog levels, all of which could reduce the demand for air travel and the aftermarket sales and margins of Vision's industrial segment. Future terrorist actions or pandemic health issues could dramatically reduce both the demand for air travel and aftermarket sales and margins of Vision's industrial segment. A reduction in capital spending in the commercial aviation or defense industries could have a significant effect on the demand for Vision's products, which could have an adverse effect on its financial performance or results of operations.

***Vision may attempt to acquire new products or technologies, and if it is unable to successfully complete these acquisitions or to integrate acquired businesses, products, technologies or employees, it may fail to realize expected benefits or harm its existing business.***

Vision's success will depend, in part, on its ability to expand its product offerings and grow its business in response to changing technologies, customer demands and competitive pressures. In some circumstances, it may seek to do so through the acquisition of complementary businesses, products or technologies rather than through internal development. The identification of suitable acquisition candidates and obtaining adequate financing can be difficult, time consuming and costly, and it may not be able to successfully complete identified acquisitions. Furthermore, even if Vision successfully completes an acquisition, it may not be able to successfully integrate newly acquired organizations, products or technologies into its operations, and the process of integration could be expensive, time consuming and may strain its resources. Consequently, Vision may not achieve anticipated benefits of the acquisitions, which could harm its existing business. In addition, future acquisitions could result in potentially dilutive issuances of equity securities or the incurrence of debt, contingent liabilities or expenses, or other charges such as in-process research and development, any of which could harm Vision's business and affect its financial results or cause a reduction in the price of its common stock.



TABLE OF CONTENTS**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus contains forward-looking statements. Statements contained in this joint proxy statement/prospectus that refer to Uroplasty's or Vision's estimated or anticipated future results, including estimated synergies, or other non-historical facts are forward-looking statements that reflect Uroplasty's or Vision's, as applicable, current perspective of existing trends and information as of the date of this joint proxy statement/prospectus. Forward-looking statements generally will be accompanied by words such as anticipate, believe, plan, could, should, estimate, expect, forecast, outlook, guidance, intend, may, might, will, project, or other similar words, phrases or expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the merger, including future financial and operating results, Uroplasty's or Vision's plans, objectives, expectations and intentions and the expected timing of completion of the merger. It is important to note that Uroplasty's and Vision's goals and expectations are not predictions of actual performance. Actual results may differ materially from Uroplasty's and Vision's current expectations depending upon a number of factors affecting Uroplasty's business, Vision's business and risks associated with the merger. These risks and uncertainties include those set forth under *Risk Factors* beginning on page 21, as well as, among others, uncertainties as to the timing of the merger; uncertainties as to whether Uroplasty shareholders and Vision shareholders will approve the merger; the risk that competing offers will be made; the possibility that various closing conditions for the merger may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the merger, or the terms of such approval; the possibility that Uroplasty shareholders may exercise dissenters' rights under the MBCA in connection with the merger, which would require the combined company to pay such shareholders cash for the fair value of their Uroplasty shares; the effects of disruption from the merger making it more difficult to maintain relationships with employees, customers, vendors and other business partners; the risk that shareholder litigation in connection with the merger may result in significant costs of defense, indemnification and liability; other business effects, including the effects of industry, economic or political conditions outside of Uroplasty's or Vision's control; the failure to realize synergies and cost-savings from the merger or delay in realization thereof; the businesses of Uroplasty and Vision may not be integrated successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected; operating costs and business disruption following completion of the merger, including adverse effects on employee retention and on the combined company's business relationships with third parties; whether Uroplasty is able to realize the benefits of the merger described in the section *The Merger—Recommendation of the Uroplasty Board of Directors; Uroplasty's Reasons for the Merger* beginning on page 73; whether Vision is able to realize the benefits of the merger described in the section *The Merger—Recommendation of the Vision Board of Directors; Vision's Reasons for the Merger* beginning on page 77; the projections of Uroplasty and Vision described in *The Merger—Certain Financial Forecasts of Uroplasty Used in Connection with the Merger* beginning on page 93 and *The Merger—Certain Financial Forecasts of Vision Used in Connection with the Merger* beginning on page 94; the inherent uncertainty associated with financial projections; risks relating to the value of the Vision shares to be issued in the merger; the anticipated size of the markets and continued demand for Uroplasty's and Vision's products; the impact of competitive products and pricing; and access to available financing on a timely basis and on reasonable terms. Uroplasty and Vision caution that the foregoing list of important factors that may affect future results is not exhaustive.

When relying on forward-looking statements to make decisions with respect to Uroplasty and Vision, investors and others should carefully consider the foregoing factors and other uncertainties and potential events and read Uroplasty's and Vision's filings with the SEC, available at [www.sec.gov](http://www.sec.gov) for a discussion of these and other risks and uncertainties. Neither Uroplasty nor Vision undertakes any obligation to update or revise any forward-looking statement, except as may be required by law. Uroplasty and Vision qualify all forward-looking statements by these cautionary statements.

TABLE OF CONTENTS**SELECTED HISTORICAL FINANCIAL INFORMATION AND UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION AND DATA****Selected Historical Financial Data of Uroplasty**

The following selected historical consolidated financial data has been taken from (1) the unaudited consolidated financial statements of Uroplasty and related notes for the nine months ended December 31, 2014 and December 31, 2013, and (2) the audited consolidated financial statements of Uroplasty and related notes for the fiscal years ended March 31, 2014, 2013, 2012, 2011, and 2010, all of which have been prepared in accordance with U.S. GAAP.

The data set forth below is not necessarily indicative of Uroplasty's results of future operations and should be read in conjunction with "Uroplasty's Management Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 134.

(\$ in thousands)	Nine months ended December 31, (unaudited)		Year ended March 31,				
	2014	2013	2014	2013	2012	2011	2010
<b>Statement of Operations Data:</b>							
Net sales	\$ 19,506	\$ 18,216	\$ 24,577	\$ 22,418	\$ 20,562	\$ 13,787	\$ 11,863
Cost of sales	2,323	2,268	3,050	3,015	3,037	2,386	2,059
Gross profit	17,183	15,948	21,527	19,403	17,525	11,401	9,804
Operating expenses:							
General and administrative	5,149	5,166	6,523	4,188	3,733	3,442	2,799
Selling and Marketing	15,107	13,497	18,122	15,238	15,296	10,092	7,577
Research and development	2,226	1,435	2,151	2,415	1,905	1,719	1,785
Amortization of intangible assets	24	22	30	863	857	844	846
Total operating expenses	22,506	20,120	26,826	22,704	21,971	16,097	13,007
Operating loss	(5,323 )	(4,172 )	(5,299 )	(3,301 )	(4,266 )	(4,696 )	(3,203 )
Interest expenses, net	0	0	0	(0 )	(0 )	(5 )	(14 )
Other (income) expense, net	3	14	18	47	63	83	54
Loss before income taxes	(5,320 )	(4,158 )	(5,281 )	(3,254 )	(4,203 )	(4,618 )	(3,163 )
Provision for income taxes	56	50	72	51	47	29	42
Net loss	(5,376 )	(4,208 )	(5,353 )	(3,305 )	(4,250 )	(4,647 )	(3,205 )
Basic and diluted net loss per common share	\$ (0.25 )	\$ (0.20 )	\$ (0.25 )	\$ (0.16 )	\$ (0.21 )	\$ (0.25 )	\$ (0.21 )
	21,684	21,036	21,118	20,777	20,690	18,874	14,944

Weighted-average  
number of common  
shares outstanding — basic  
and diluted

(\$ in thousands)

	December 31, (unaudited)		March 31,				
	2014	2013	2014	2013	2012	2011	2010
<b>Consolidated Balance Sheet Data:</b>							
Cash and cash equivalents	\$ 8,704	\$ 8,164	\$ 8,682	\$ 3,534	\$ 4,653	\$ 6,064	\$ 2,311
Short-term investments	0	4,452	3,451	7,937	7,201	8,021	3,500
Long-term investments	0	0	0	3,452	4,429	5,509	0
Working capital	8,342	13,308	12,623	12,621	13,081	14,650	6,057
Total assets	13,328	17,500	17,301	20,041	22,291	25,727	11,574
Long-term liabilities	721	667	678	666	516	553	714
Stockholders' equity	8,790	13,966	13,214	16,686	19,235	22,629	9,215

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(\$ in thousands)	Nine months ended December 31, (unaudited)		Year ended March 31,				
	2014	2013	2014	2013	2012	2011	2010
<b>Other Data:</b>							
Cash flow used in operating activities	\$ (3,196 )	\$ (2,265 )	\$ (2,902 )	\$ (1,225 )	\$ (3,128 )	\$ (3,376 )	\$ (1,892 )
Cash flow (used in) provided by investing activities	3,247	6,674	7,639	(7 )	1,526	(10,322 )	892
Cash flow provided by financing activities	68	172	360	150	209	17,459	0
Depreciation & Amortization	207	267	353	1,153	1,118	1,119	1,138
Stock-based compensation expense	1,210	1,210	1,436	812	685	434	415
Capital expenditures	(203 )	(215 )	(248 )	(190 )	(268 )	(229 )	(111 )

TABLE OF CONTENTS**Selected Historical Financial Data of Vision**

The following selected historical consolidated financial data has been taken from (1) the unaudited consolidated financial statements of Vision and related notes for the nine months ended December 31, 2014 and December 31, 2013, and (2) the audited consolidated financial statements of Vision and related notes for the fiscal years ended March 31, 2014, 2013, 2012, 2011 and 2010, all of which have been prepared in accordance with U.S. GAAP.

The data set forth below is not necessarily indicative of Vision results of future operations and should be read in conjunction with Vision Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 158 of this joint proxy statement/prospectus.

(\$ in thousands)	Nine months ended December 31, (unaudited)		Year ended March 31,				
	2014	2013	2014	2013	2012	2011	2010
<b>Statement of Operations Data:</b>							
Net sales	\$ 12,782	\$ 12,127	\$ 17,108	\$ 15,287	\$ 16,686	\$ 10,899	\$ 10,810
Cost of sales	8,472	8,474	12,610	10,945	11,601	7,979	9,798
Gross profit	4,310	3,653	4,498	4,342	5,085	2,920	1,012
Selling, general and administrative expenses	7,609	7,404	9,841	10,999	10,999	10,771	10,490
Research and development expense	1,465	1,399	2,101	1,820	3,155	3,511	3,287
Operating loss	(4,764 )	(5,150 )	(7,444 )	(8,477 )	(10,115 )	(11,362 )	(12,765 )
Interest income	—	—	1	4	9	8	4
Interest expense	(303 )	(142 )	(192 )	(503 )	(489 )	(333 )	(12 )
Other, net	(15 )	(16 )	(24 )	(53 )	(48 )	(6 )	(2 )
Debt cost expense	—	—	(43 )	(272 )	(372 )	(141 )	(31 )
Loss on extinguishment of debt	—	—	—	(1,244 )	—	—	—
Loss before provision for income taxes	(5,082 )	(5,308 )	(7,702 )	(10,545 )	(11,015 )	(11,834 )	(12,806 )
Income tax provision	—	11	12	12	1	9	(382 )
Net loss	(5,082 )	(5,319 )	(7,714 )	(10,557 )	(11,016 )	(11,843 )	(12,424 )
Net Loss per common share	\$ (0.11 )	\$ (0.12 )	\$ (0.17 )	\$ (0.23 )	\$ (0.25 )	\$ (0.31 )	\$ (0.34 )
Weighted-average shares used in computing net loss per common share — Basic and diluted	46,317	46,139	46,155	45,945	44,246	38,318	36,853
(\$ in thousands)	Year ended March 31,						

**Nine months ended  
December 31,  
(unaudited)**

	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Consolidated Balance Sheet Data:</b>							
Cash and cash equivalents	\$ 1,548	\$ 1,122	\$ 1,237	\$ 788	\$ 2,674	\$ 9,180	\$ 2,540
Working capital	6,566	7,392	6,863	6,957	6,022	9,033	6,182
Total assets	11,420	11,485	10,833	11,377	12,599	19,766	11,499