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MOTOROLA INC  
Form S-4  
August 15, 2001

As filed with the Securities and Exchange Commission on August 15, 2001  
Registration No. 333-

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM S-4  
REGISTRATION STATEMENT  
Under  
The Securities Act of 1933

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MOTOROLA, INC.  
(Exact name of registrant as specified in its charter)

Delaware	3663	36-1115800
(State or other	(Primary Standard	(I.R.S. Employer
jurisdiction of	Industrial Classification	Identification No.)
incorporation or	Code Number)	
organization)		

-----  
1303 East Algonquin Road  
Schaumburg, Illinois 60196  
(847) 576-5000  
(Address, including zip code, and telephone number, including area code, of  
registrant's principal executive offices)

-----  
Carl F. Koenemann  
Executive Vice President and Chief Financial Officer  
Motorola, Inc.  
1303 East Algonquin Road  
Schaumburg, Illinois 60196  
(847) 576-5000  
(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

-----  
With copies to:

Paul P. Fleck, Esq. Motorola, Inc. 101 Tournament Drive Horsham, Pennsylvania 19044 (215) 323-1000	Peter J. Rooney, Esq. Shearman & Sterling 599 Lexington Avenue New York, New York 10022 (212) 848-4000	John R. Pomerance, Esq. Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. One Financial Center Boston, Massachusetts 02111
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(617) 542-6000

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective time of the merger of a wholly-owned subsidiary of the registrant with and into RiverDelta Networks, Inc., which shall occur as soon as practicable after the effective date of this registration statement and the satisfaction of all conditions to the closing of such merger.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (/2/)	Proposed maximum offering price per share (/2/)	Proposed maximum aggregate offering price (/3/)	Amount of registration fee (/4/)
Common Stock, par value \$3 per share (and associated preferred stock purchase price) (/1/)	Not applicable	Not applicable	\$242,362	\$60.59

(/1/Each)share of Motorola common stock is accompanied by a right to purchase Junior Participating Preferred Stock, Series B of Motorola. Prior to the occurrence of certain events, none of which has occurred as of this date, the rights will not be exercisable or evidenced separately from the common stock.

(/2/Pursuant)to Securities Act Rule 457(o), this information is not included.

(/3/Estimated)solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended, and calculated pursuant to Rule 457(f) thereunder. RiverDelta is a privately held corporation and there is no market for its securities. In addition, RiverDelta has an accumulated capital deficit. Therefore, pursuant to Rule 457(f) (2) under the Securities Act, the proposed maximum aggregate offering price is based upon one-third of the par value of the securities of RiverDelta being acquired in the proposed merger, which is \$242,362, computed as of the last practicable date prior to the date of filing this registration statement.

(/4/Calculated)by multiplying .00025 by the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or

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dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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+The information in this proxy statement/prospectus is not complete and may be +  
+changed. We may not offer or sell these securities until the registration +  
+statement filed with the Securities and Exchange Commission is effective. +  
+This proxy statement/prospectus is not an offer to sell these securities and +  
+it is not soliciting an offer to buy these securities in any state where the +  
+offer or sale is not permitted. +  
++++

Subject to Completion, Dated August 15, 2001

RiverDelta Networks, Inc.  
3 Highwood Drive East  
Tewksbury, Massachusetts 01876  
(978) 858-2300

[ ], 2001

Dear RiverDelta Stockholders:

You are cordially invited to attend a special meeting of stockholders of RiverDelta Networks, Inc. which we will hold at 10:00 a.m., local time, on [ ], [ ], 2001, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111.

RiverDelta Networks, Inc. has signed a merger agreement with Motorola, Inc. If the merger is completed, RiverDelta will become a wholly-owned subsidiary of Motorola.

At the special meeting, we will ask you to vote on three proposals, including the merger agreement and the merger of RiverDelta and Motorola. Your board of directors has unanimously approved the merger agreement and the merger, has unanimously determined that the merger is advisable and fair to you and in your best interests and unanimously recommends that you approve and adopt the merger agreement and the merger at the special meeting.

If RiverDelta's stockholders approve the merger agreement and the merger, then RiverDelta stockholders will, in the aggregate, receive Motorola common stock valued at \$300 million, subject to certain purchase price adjustments (including a deduction for indebtedness of RiverDelta, which currently is approximately \$23.5 million but may increase to as much as \$45 million, plus accrued interest thereon), to be apportioned according to the number and class of shares that each RiverDelta stockholder owns.

Under the merger agreement and an escrow agreement, 10% of the Motorola common stock that you would otherwise be entitled to receive in the merger will be deposited in an escrow account and may be used to compensate Motorola in the event that it is entitled to indemnification under the merger agreement or to the extent that there is a reduction in the purchase price based on a post-closing audit adjustment. To the extent that some or all of the escrowed shares are not required to indemnify Motorola or to be delivered to Motorola based on the post-closing audit adjustment, the escrowed shares will be distributed

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within five business days following the eighteen-month anniversary of the merger. Motorola common stock is listed on the New York Stock Exchange under the trading symbol "MOT" and on August 14, 2001, Motorola common stock closed at \$18.41 per share. You will receive cash instead of any fractional share of Motorola common stock which you would otherwise receive in the merger.

In order to complete the merger, RiverDelta's restated certificate of incorporation requires that the merger agreement and the merger be approved by the holders of a majority of the outstanding shares of RiverDelta common stock and RiverDelta Series A and Series B preferred stock on the record date on an as converted basis, voting together as a single class.

In addition, and as a second proposal, it is proposed that the restated certificate of incorporation of RiverDelta be amended in order to increase the total number of shares of authorized capital stock of RiverDelta to 85,860,000 by increasing the number of authorized shares of RiverDelta preferred stock to 13,860,000, and to designate 6,500,000 shares of preferred stock as Series B preferred stock. This approval of the amendment to RiverDelta's restated certificate of incorporation requires the approval of a majority of the outstanding shares of RiverDelta common stock and RiverDelta Series A and Series B preferred stock on the record date on an as converted basis, voting together as a single class.

Finally, in order to complete the merger, the holders of Series A preferred stock must elect to treat the merger as a deemed conversion of their shares, which election pursuant to RiverDelta's restated certificate of incorporation requires the approval of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of RiverDelta Series A preferred stock on the record date, voting as a separate class.

I, together with other stockholders of RiverDelta, holding in the aggregate approximately 64.2% of the outstanding RiverDelta common stock and Series A and Series B preferred stock on an as converted basis, voting together as a single class, and approximately 90% of the outstanding RiverDelta Series A preferred stock, voting as a separate class, have agreed to vote all of my shares in favor of the approval of the merger agreement, the merger and otherwise in such manner as may be necessary to consummate the merger. Consequently, approval of (i) the merger agreement and the merger, (ii) the proposal to amend RiverDelta's restated certificate of incorporation and (iii) the proposal for the holders of Series A preferred stock to elect to be deemed to have converted all shares of Series A preferred stock into common stock immediately prior to the merger is assured.

RiverDelta stockholders who properly preserve their rights are entitled to an appraisal of their shares of RiverDelta stock under Delaware law if the merger is completed.

Only stockholders who hold shares of RiverDelta stock at the close of business on [ ], 2001, the record date for the special meeting, will be entitled to vote at the special meeting of RiverDelta stockholders. A list of stockholders entitled to vote will be kept at the offices of RiverDelta, 3 Highwood Drive East, Tewksbury, Massachusetts, 01876, for the ten days prior to the special meeting.

You should consider the matters discussed under "Risk Factors" commencing on page 15 of the enclosed proxy statement/prospectus before voting. Please review carefully the entire proxy statement/prospectus.

It is important that your shares be represented and voted at the special meeting, whether or not you are able to attend personally. If you do not return your proxy card, the effect will be a vote against the merger and the other

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proposals. You are therefore urged to complete, sign, date and return the enclosed proxy card promptly in the accompanying envelope, which requires no postage if mailed in the United States. You are, of course, welcome to attend the meeting and vote in person, even if you have previously returned your proxy card.

I look forward to your support.

Sincerely,  
David F. Callan  
President and Chief Executive  
Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or the Motorola common stock to be issued in the merger, or determined that this proxy statement/prospectus is accurate or complete. Any person who tells you otherwise is committing a crime.

This proxy statement/prospectus is dated [ ], 2001 and is first being mailed to RiverDelta stockholders on or about [ ], 2001.

RiverDelta Networks, Inc.  
3 Highwood Drive East  
Tewksbury, Massachusetts 01876  
(978) 858-2300

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [ ], 2001

A special meeting of stockholders of RiverDelta Networks, Inc. will be held on [ ], [ ], 2001, at 10:00 a.m., local time, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111.

The special meeting will be conducted:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of July 11, 2001, by and among Motorola, Bayou Merger Sub, Inc., a wholly-owned subsidiary of Motorola, and RiverDelta, pursuant to which, among other things, Bayou Merger Sub, Inc. will merge with and into RiverDelta, as a result of which RiverDelta will become a wholly-owned subsidiary of Motorola, and Todd Dagues will be appointed as the stockholders' representative under the merger agreement.

2. To consider and vote upon a proposal to amend the restated certificate of incorporation of RiverDelta in order to increase the total number of shares of authorized capital stock of RiverDelta to 85,860,000 by increasing the number of authorized shares of RiverDelta preferred stock to 13,860,000, and to designate 6,500,000 shares of preferred stock as Series B preferred stock.

3. To consider and vote upon a proposal for the holders of Series A preferred stock to elect to be deemed to have converted all shares of Series A preferred stock into shares of RiverDelta common stock immediately prior to the effective time of the merger.

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4. To transact such other business as may properly come before the meeting.

If RiverDelta's stockholders approve the merger agreement and the merger, then RiverDelta stockholders will, in the aggregate, receive Motorola common stock valued at \$300 million, subject to certain purchase price adjustments (including a deduction for indebtedness of RiverDelta, which currently is approximately \$23.5 million but may increase to as much as \$45 million, plus accrued interest thereon), to be apportioned according to the number and class of shares that each RiverDelta stockholder owns.

In order to complete the merger, RiverDelta's restated certificate of incorporation requires that the merger agreement and the merger be approved by the holders of a majority of the outstanding shares of RiverDelta common stock and RiverDelta Series A and Series B preferred stock on the record date on an as converted basis, voting together as a single class.

In addition, in order to complete the merger, RiverDelta must amend its restated certificate of incorporation to increase the total number of shares of authorized capital stock of RiverDelta and to designate additional shares of preferred stock as Series B preferred stock. The approval of the amendment to RiverDelta's restated certificate of incorporation requires the approval of a majority of the outstanding shares of RiverDelta common stock and RiverDelta Series A and Series B preferred stock on the record date on an as converted basis, voting together as a single class.

Finally, in order to complete the merger, the holders of Series A preferred stock must elect to treat the merger as a deemed conversion of their shares, which election pursuant to RiverDelta's restated certificate of

incorporation requires the approval of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of RiverDelta Series A preferred stock on the record date, voting as a separate class.

Stockholders of RiverDelta holding in the aggregate approximately 64.2% of the outstanding RiverDelta common and Series A and Series B preferred stock on an as converted basis, voting together as a single class, and approximately 90% of the outstanding RiverDelta Series A preferred stock, voting as a separate class, have agreed to vote all of their shares in favor of the adoption of the merger agreement, the merger and otherwise in such manner as may be necessary to consummate the merger. Consequently, approval of (i) the merger agreement and the merger, (ii) the proposal to amend RiverDelta's restated certificate of incorporation and (iii) the proposal for the holders of Series A preferred stock to elect to be deemed to have converted all shares of Series A preferred stock into common stock immediately prior to the merger is assured.

RiverDelta stockholders who properly preserve their rights are entitled to an appraisal of their shares of RiverDelta stock under Delaware law if the merger is completed.

Only stockholders who hold shares of RiverDelta stock at the close of business on [ ], 2001, the record date for the special meeting, will be entitled to vote at the special meeting of RiverDelta stockholders. A list of stockholders entitled to vote will be kept at the offices of RiverDelta, 3 Highwood Drive East, Tewksbury, Massachusetts, 01876, for the ten days prior the special meeting.

You should consider the matters discussed under "Risk Factors" commencing on page 15 of the enclosed proxy statement/prospectus before voting. Please review carefully the entire proxy statement/prospectus and the merger agreement attached as Appendix A-1.

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Your board of directors unanimously recommends that you vote "FOR" approval and adoption of the merger agreement and the merger and each other proposal, as described in detail in the accompanying proxy statement/prospectus.

For the Board of Directors,

David F. Callan  
President and Chief Executive  
Officer

Tewksbury, Massachusetts  
[            ], 2001

Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy and promptly return it in the accompanying envelope, which requires no postage if mailed in the United States. You may revoke your proxy at any time before it is voted by delivering to RiverDelta a subsequently executed proxy card or a written notice of revocation or by voting in person at the special meeting.

You should not send stock certificates with your proxy card. A transmittal letter for your stock will be sent to you by the exchange agent after the merger.

Motorola is a Delaware corporation and its shares of common stock trade on the New York Stock Exchange under the symbol "MOT." This proxy statement/prospectus incorporates by reference important business and financial information about Motorola that is not included in, or delivered with, this proxy statement/prospectus. Motorola will provide you with copies of the information relating to Motorola that has been incorporated by reference, without charge, upon written or oral request to:

Motorola, Inc.  
1303 East Algonquin Road  
Schaumburg, Illinois 60196  
Tel: (800) 762-8509  
Attn: Investor Relations

You may also obtain information from Motorola's website:  
[www.motorola.com/investor](http://www.motorola.com/investor).

For additional information concerning how you can obtain additional information on Motorola, see "Where You Can Find More Information" beginning on page 73.

If you would like to request documents, please do so by [            ], 2001 in order to obtain them before the special meeting of RiverDelta stockholders.

RiverDelta is a privately held corporation with fewer than 300 stockholders that is not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and therefore does not incorporate information in this proxy statement/prospectus by reference unless such information appears in an Appendix to this proxy statement/prospectus.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What is the proposed transaction?

A: A wholly-owned subsidiary of Motorola, Inc. will merge with and into RiverDelta Networks, Inc. As a result, RiverDelta will become a wholly-owned subsidiary of Motorola, and RiverDelta stockholders will gain the right to exchange their RiverDelta shares for shares of Motorola common stock.

Q: Why are the companies proposing the merger?

A: The merger will combine RiverDelta's integrated routing technology with Motorola's established Cable Modem Termination System business and broadband network operator sales and support channel. Combining the two organizations' resources and collective expertise is expected to result in a more efficient carrier-class Cable Modem Termination System solution with integrated routing capabilities for broadband network operators. The merger will allow the combined businesses to offer broadband network operators a more comprehensive solution, which will benefit both parties.

Q: What will I receive in the merger?

A: The merger agreement provides that RiverDelta stockholders will, in the aggregate, receive \$300 million, subject to certain purchase price adjustments (including a deduction for indebtedness of RiverDelta, which currently is approximately \$23.5 million but may increase to as much as \$45 million, plus accrued interest thereon). The purchase price will be paid in shares of Motorola common stock in exchange for your RiverDelta stock, based on the number and class of RiverDelta shares that you own. The number of shares of Motorola common stock you will receive will depend on the value of such shares. Motorola common stock will be valued based on its average market price over a 20-day trading period ending two days prior to the closing date of the merger. We encourage you to obtain current market price quotations for Motorola common shares.

Assuming the merger closes on September 25, 2001, holders of Series B preferred stock will receive approximately the first \$62.6 million of consideration. The remaining consideration will be paid to the holders of RiverDelta Series A preferred stock and common stock. The holders of Series A preferred stock will receive the same consideration that they would receive if they had converted to common stock.

Under the merger agreement and an escrow agreement, 10% of the shares of Motorola common stock that you would otherwise be entitled to receive in the merger will be deposited in an escrow account and may be used to compensate Motorola in the event that it is entitled to indemnification under the merger agreement or to the extent that there is a reduction in the purchase price based on a post-closing audit adjustment.

In addition, as no fractional shares of Motorola common stock will be issued, you will receive cash payments instead of any fractional shares of Motorola common stock that you would have otherwise received. After giving effect to the merger, we expect that former RiverDelta stockholders will hold less than 1% of the outstanding shares of Motorola common stock.

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Q: What is the escrow fund and how does it work?

A: If the merger is completed, Motorola will deposit 10% of the Motorola common shares to be issued in the merger into an escrow account.

The escrowed shares will be available to compensate Motorola in the event that it is entitled to indemnification from the RiverDelta stockholders under the merger agreement or to the extent that there is a reduction in the purchase price based on the post-closing audit adjustment. To the extent that some or all of the escrowed shares are not required to indemnify Motorola or to be delivered to Motorola based on the post-closing audit adjustment, those escrowed shares will be distributed to the RiverDelta stockholders entitled to receive those shares within five business days following the eighteen-month anniversary of the merger.

1

Q: Who must approve the merger?

A: In addition to the approvals by the Motorola board of directors and the RiverDelta board of directors, each of which has already been obtained, and governmental and other regulatory approvals, the merger agreement and the merger must be approved by RiverDelta's stockholders.

Q: What stockholder vote is required to approve the merger agreement and the merger?

A: A majority of the outstanding shares of RiverDelta common stock entitled to vote constitutes a quorum for the RiverDelta special meeting. The affirmative vote of the holders of a majority of the outstanding shares of RiverDelta common stock and Series A and Series B preferred stock on the record date on an as converted basis, voting together as a single class, and the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of RiverDelta Series A preferred stock on the record date, voting as a separate class, are required to approve the merger agreement and the merger. Certain stockholders of RiverDelta holding in the aggregate enough shares to approve the merger agreement and the merger have entered into a voting agreement under which they have agreed to vote all of their shares of RiverDelta stock in favor of the merger agreement and the merger. Consequently, approval of the merger agreement and the merger is assured.

Q: Does the RiverDelta board of directors recommend approval of the merger agreement and the merger?

A: Yes. After careful consideration, the RiverDelta board of directors unanimously recommends that its stockholders vote in favor of the merger agreement and the merger. For a more complete description of the recommendation of the RiverDelta board of directors, see the section entitled "The Merger--RiverDelta's Reasons for the Merger" on page 25 and "The Merger--Recommendation of the RiverDelta Board of Directors" on page 27.

Q: Are there any conditions to the merger being completed?

A: Yes. The obligation of RiverDelta and Motorola to complete the merger is subject to satisfaction of several conditions including, without limitation, that certain RiverDelta employees continue to be employed by RiverDelta, that they sign retention agreements and that they not be in breach of those retention agreements. For a more complete description of the conditions to completion of the merger, see the section entitled "The Merger Agreement--Conditions to the Merger" on page 47.

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Q: What if the merger is not completed?

A: It is possible the merger will not be completed. That might happen if, for example, a required condition to the closing of the merger set forth in the merger agreement is not satisfied. Should that occur, none of Motorola, RiverDelta or any third party is under any obligation to make or consider any alternative proposals regarding the purchase of your shares of RiverDelta stock.

Q: What stockholder vote is required to approve the amendment to the RiverDelta restated certificate of incorporation and the deemed conversion of RiverDelta Series A preferred stock?

A: The approval of the amendment to RiverDelta's restated certificate of incorporation requires the approval of a majority of the outstanding shares of RiverDelta common stock and RiverDelta Series A and Series B preferred stock on the record date on an as converted basis, voting together as a single class. The approval of the election by the holders of the shares of RiverDelta Series A preferred stock to be deemed to have converted all shares of RiverDelta Series A preferred stock into RiverDelta common stock immediately prior to the closing of the merger will require the approval of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of RiverDelta Series A preferred stock on the record date, voting as a separate class.

2

Q: Does the RiverDelta board of directors recommend approval of the amendment to the RiverDelta restated certificate of incorporation and the deemed conversion of RiverDelta Series A preferred stock?

A: Yes. After careful consideration, the RiverDelta board of directors unanimously recommends that its stockholders vote in favor of the amendment to the RiverDelta restated certificate of incorporation and the deemed conversion of RiverDelta Series A preferred stock. For a more complete description of the recommendation of the RiverDelta board of directors, see the section entitled "Additional Proposals--Amendment to Certificate of Incorporation" on page 56 and "Additional Proposals--Deemed Conversion of Series A Preferred Stock" on page 57.

Q: What do I need to do now?

A: We urge you to read this proxy statement/prospectus, including the appendices, carefully, and to consider how the merger will affect you as a stockholder of RiverDelta. You also may want to review the documents referenced under "Where You Can Find More Information" on page 73.

Q: How do I vote?

A: You may vote by mailing a signed proxy card in the enclosed return envelope as soon as possible so that those shares may be represented at the special meeting. You may also attend the special meeting and vote in person.

Q: Can I change my vote?

A: Yes. You may change your vote by delivering a later-dated, signed proxy card to RiverDelta's secretary before the special meeting of RiverDelta stockholders, or by attending the special meeting and voting in person.

Q: Is the merger taxable?

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A: It is a condition of the merger that RiverDelta receive an opinion from its tax counsel stating that the merger will qualify as a reorganization for U.S. federal income tax purposes. Motorola is obligated to use its reasonable best efforts to obtain such an opinion from its tax advisor prior to the closing of the merger. As a result of the merger qualifying as a reorganization for U.S. federal income tax purposes, RiverDelta stockholders will generally not recognize any gain or loss for U.S. federal income tax purposes on the exchange of their RiverDelta shares solely for Motorola common stock in the merger, except for cash received in lieu of fractional shares of Motorola common stock.

We describe the material U.S. federal income tax consequences of the merger in more detail beginning on page 30. The tax consequences to you will depend on the facts of your own situation. Please consult your tax advisor for a full understanding of the tax consequences to you of the merger.

Q: Am I entitled to appraisal rights?

A: Yes. You will be entitled to appraisal rights in connection with the merger provided that you give written demand for appraisal and comply with all relevant provisions of Section 262 of the Delaware General Corporation Law explained beginning on page 33 and attached as Appendix C to this proxy statement/prospectus.

Q: When do you expect to complete the merger?

A: We expect to complete the merger during the late third or early fourth quarter of this year. Because the merger is subject to governmental approvals, however, we cannot predict the exact timing. We are awaiting the expiration of the waiting period under the Hart-Scott-Rodino Act.

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Q: Should I send in my RiverDelta stock certificates now?

A: No. After we complete the merger, Motorola's exchange agent will send instructions to you regarding your RiverDelta shares that were converted in the merger. These instructions will explain how to exchange your RiverDelta share certificates for Motorola share certificates and, if applicable, cash instead of any fractional shares of Motorola common stock that you would otherwise receive in the merger. Please do not send in your RiverDelta stock certificates with your proxy card.

Q: When and where is the special meeting?

A: The special meeting will be held at 10:00 a.m., local time, on [            ], 2001 at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111.

Q: What else will happen at the meeting?

A: We know of no other matters that are expected to come before the special meeting.

Q: Whom can I call with questions?

A: If you have any questions about the merger or any related transactions, please call RiverDelta at (978) 858-2300 (and ask for Michael Brown) or call Motorola's Investor Relations Department at (800) 262-8509.

If you would like copies of any of the documents we refer to in this proxy

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statement/prospectus, you should call Motorola at (800) 262-8509.

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### SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. To better understand the merger, and for a more complete description of the legal terms of the transaction, you should read this entire proxy statement/prospectus carefully, as well as those additional documents to which we refer you. In particular, you should read the documents attached to this proxy statement/prospectus, including the merger agreement, which is attached as Appendix A-1 (as amended by Amendment No. 1 to the Agreement and Plan of Merger, which is attached as Appendix A-2), the voting agreement, which is attached as Appendix B, the form of escrow agreement, which is attached as Appendix D, the bridge holders agreement, which is attached as Appendix E-1 (as amended by the Agreement to Further Amend Subordinated Convertible Promissory Notes, which is attached as Appendix E-2), and the company affiliate letter, which is attached as Appendix F. Also see "Where You Can Find More Information" on page 73. We have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.

The Companies (see page 18)

Motorola, Inc.  
1303 East Algonquin Road  
Schaumburg, Illinois 60196  
Tel: (847) 576-5000  
website: www.motorola.com

Motorola is a global leader in providing integrated communications solutions and embedded electronic solutions. These include:

- . software-enhanced wireless telephone, two-way radio and messaging products and systems, as well as networking and Internet-access products, for consumers, network operators and commercial, government and industrial customers;
- . end-to-end systems for the delivery of interactive digital video, voice and high-speed data solutions for broadband operators;
- . embedded semiconductor solutions for customers in the networking and computing, transportation, wireless communications and digital consumer/home networking markets; and
- . embedded electronic systems for automotive, industrial, transportation, navigation, communications and energy systems markets.

Motorola is a corporation organized under the laws of the State of Delaware. Motorola's sales in 2000 were \$37.6 billion. Shares of Motorola common stock primarily trade on the New York Stock Exchange under the symbol "MOT".

RiverDelta Networks, Inc.  
3 Highwood Drive East  
Tewksbury, Massachusetts 01876  
Tel: (978) 858-2300

RiverDelta designs, develops and markets Internet Protocol, or IP, edge routing, aggregation and service delivery solutions for broadband, or cable, service providers. RiverDelta's products enable broadband service providers to

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offer high-quality voice, high-speed data and enhanced broadband services to their business and residential customers.

Risk Factors (see page 15)

See "Risk Factors" for a discussion of certain risks that should be considered by RiverDelta stockholders in evaluating whether to approve the merger and the merger agreement and thereby become holders of Motorola common stock.

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The RiverDelta Special Meeting (see page 20)

The special meeting of the RiverDelta stockholders will be held on [ ], [ ], 2001, at 10:00 a.m., local time, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111.

At the special meeting, RiverDelta stockholders will be asked:

- . to approve the merger agreement and the merger and, in so doing, to appoint Todd Dagres as stockholders' representative under the merger agreement;
- . to approve the amendment to the restated certificate of incorporation of RiverDelta in order to increase the total number of shares of authorized capital stock of RiverDelta common stock to 85,860,000 by increasing the number of authorized shares of RiverDelta preferred stock to 13,860,000 and to designate 6,500,000 shares of preferred stock as Series B preferred stock;
- . to approve the proposal for the holders of Series A preferred stock to elect to be deemed to have converted all shares of Series A preferred stock into shares of RiverDelta common stock immediately prior to the effective time of the merger; and
- . to act on other matters that may be properly submitted to a vote at the RiverDelta special meeting.

Record Date (see page 20); Stockholders Entitled to Vote (see page 21)

You can vote at the special meeting if you owned RiverDelta shares at the close of business on [ ], 2001, the record date.

On the record date, there were [ ] shares of RiverDelta common stock, [ ] shares of RiverDelta Series A preferred stock and [ ] shares of RiverDelta Series B preferred stock outstanding and entitled to vote at the special meeting. RiverDelta stockholders will have one vote at the special meeting for each share of RiverDelta common stock that they owned on the record date, and will have the number of votes equal to the number of shares of RiverDelta common stock into which each share of RiverDelta preferred stock that they owned on the record date was convertible.

As of [ ], 2001, each share of RiverDelta Series A preferred stock was convertible into three shares of RiverDelta common stock, and each share of RiverDelta Series B preferred stock was convertible into one and one-half shares of RiverDelta common stock. Under a voting agreement, holders of 90% of the issued and outstanding shares of RiverDelta Series A preferred stock agreed to elect to be deemed to have converted all shares of Series A preferred stock into shares of common stock immediately prior to the effective time of the

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merger.

Vote Required (see page 21)

The affirmative vote of a majority of the outstanding shares of RiverDelta common stock and RiverDelta Series A and Series B preferred stock on the record date on an as converted basis, voting together as a single class, is required to approve the merger agreement and the merger.

The approval of the amendment to RiverDelta's restated certificate of incorporation requires the approval of a majority of the outstanding shares of RiverDelta common stock and RiverDelta Series A and Series B preferred stock on the record date on an as converted basis, voting together as a single class.

The approval of the election by the holders of Series A preferred stock to be deemed to have converted all of their shares of RiverDelta Series A preferred stock into RiverDelta common stock immediately prior to the closing of the merger will require the approval of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of RiverDelta Series A preferred stock on the record date, voting as a separate class.

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At the close of business on the record date, [ ]% of the outstanding shares of RiverDelta common stock and Series A and Series B preferred stock on an as converted basis, and [ ]% of the outstanding shares of RiverDelta Series A preferred stock were held by directors and officers of RiverDelta and their affiliates. All of the shares beneficially owned by the directors of RiverDelta, two of whom are executive officers, are subject to a voting agreement to vote the shares in favor of the approval and adoption of the merger agreement.

Voting Agreement (see page 21)

Certain officers, directors and stockholders of RiverDelta have entered into a voting agreement with Motorola, pursuant to which they have agreed, among other things, to vote the shares of RiverDelta stock they own "FOR" approval of the merger agreement and the merger. Each of these stockholders has also granted an irrevocable proxy and a power of attorney to Motorola representatives to vote such stockholder's shares of RiverDelta stock "FOR" approval of the merger agreement and the merger.

On the record date, these RiverDelta stockholders collectively owned and were entitled to vote approximately:

- . 64.2% of the outstanding shares of RiverDelta common stock and Series A and Series B preferred stock on an as converted basis, voting together as a single class; and
- . 90% of the outstanding shares of RiverDelta Series A preferred stock, voting as a separate class.

Recommendation of the RiverDelta Board of Directors (see page 20)

After careful consideration, the RiverDelta board of directors unanimously recommends that the stockholders vote in favor of the merger agreement, the merger and each other proposal presented at the special meeting. For a more complete description of the recommendation of the RiverDelta board of directors, see the section entitled "The Merger--RiverDelta's Reasons for the Merger" on page 25 and "The Merger--Recommendation of the RiverDelta Board of

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Directors" on page 27.

Accounting Treatment (see page 27)

Motorola will account for the merger as a purchase of a business, which means that the assets and liabilities of RiverDelta, including intangible assets, will be recorded at their fair value with the remaining purchase price over the fair value of net identifiable assets and liabilities and in process research and development reflected as goodwill, and the results of operations and cash flows of RiverDelta will be included in Motorola's results prospectively after the merger.

Interests of RiverDelta Directors and Executive Officers in the Merger (see page 28)

RiverDelta stockholders should note that a number of directors and executive officers of RiverDelta have interests in the merger as directors or executive officers that are different from, or in addition to, those of a stockholder generally. If RiverDelta completes the merger, certain indemnification arrangements for current directors and executive officers of RiverDelta will be continued, and it is anticipated that certain employees of RiverDelta will be retained as employees of Motorola or will otherwise continue their relationship with Motorola and RiverDelta. As a result of the merger, the vesting of unvested stock options and the lapsing of RiverDelta's right to repurchase restricted stock held by certain executive officers of RiverDelta will be accelerated pursuant to the terms of existing stock option and stock repurchase agreements. It is a condition of the merger that certain executives and employees will enter into retention agreements with Motorola. It is expected that the retention agreements will provide for further acceleration of vesting, or of lapsing, of repurchase rights, the grant of Motorola stock options and the payment of cash retention bonuses and other consideration.

Material Federal Income Tax Consequences of the RiverDelta Merger (see page 30)

The merger is intended to qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code. It is a condition of the merger that RiverDelta receive an opinion from its tax counsel stating

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that the merger will qualify as a reorganization for U.S. federal income tax purposes. Motorola is obligated to use its reasonable best efforts to obtain such an opinion from its tax advisor prior to the closing of the merger. As a result of the merger qualifying as a reorganization for U.S. federal income tax purposes, RiverDelta stockholders generally will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of their RiverDelta shares solely for Motorola common stock in the merger, except for cash received in lieu of fractional shares of Motorola common stock.

Regulatory Matters (see page 33)

Motorola and RiverDelta must make certain filings and take other actions necessary to obtain approvals from U.S. governmental authorities in connection with the merger, including antitrust authorities. Both parties will use reasonable best efforts to make all necessary filings with respect to the merger required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or other applicable law. However, Motorola is not required to agree to any conditions, divestitures or expenditures of money to a third party in exchange for any consent that, in any such case:

. would have a material adverse effect on RiverDelta; or

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- . if such action relates to Motorola or its subsidiaries, would, if taken by RiverDelta or with respect to a comparable amount of assets, businesses or product lines of RiverDelta, have a material adverse effect on RiverDelta.

The waiting period during which the U.S. antitrust authorities review the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, will expire on September 13, 2001 unless the antitrust authorities grant early termination of the period or extend the period indefinitely by the issuance of a request for additional information. We expect to obtain all other material required governmental approvals and, if all other conditions to the merger are satisfied, complete the merger in the late third or early fourth quarter of 2001. We cannot be certain, however, that Motorola and RiverDelta will obtain all required governmental approvals, or that we will obtain these approvals without conditions that would be detrimental to Motorola or RiverDelta.

Statutory Appraisal Rights (see page 33)

Appraisal rights are provided for under Delaware law. RiverDelta stockholders who do not vote for the merger and who satisfy certain other conditions described beginning on page 33 and in Appendix C to this proxy statement/prospectus are entitled to be paid the "fair value" of their shares of RiverDelta common or preferred stock, as determined by the Delaware Chancery Court. Since appraisal rights are available only to RiverDelta stockholders who satisfy certain conditions, you should carefully review the section of this proxy statement/prospectus titled "The Merger--Appraisal Rights Procedures" beginning on page 33 and the copy of the Delaware appraisal rights statute attached as Appendix C to this proxy statement/prospectus.

Management and Operations of RiverDelta after the Merger (see page 36)

RiverDelta's products and businesses will be integrated into Motorola's Broadband Communications Sector - specifically within Motorola Broadband's existing Network Infrastructure Solutions business. The Network Infrastructure Solutions business is part of Motorola Broadband's IP Systems Group. Motorola expects that the members of RiverDelta's management will continue their relationship with the business after the merger.

What You Will Receive in the Merger (see page 27)

The merger agreement provides that RiverDelta stockholders will, in the aggregate, receive \$300 million, subject to certain purchase price adjustments (including a deduction for indebtedness of RiverDelta, which currently is approximately \$23.5 million but may increase to as much as \$45 million, plus accrued interest

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thereon). The purchase price will be paid in shares of Motorola common stock in exchange for your RiverDelta stock based on the number and class of RiverDelta shares that you own. Motorola common stock will be valued based on its average market price over a 20-day trading period ending on (and including) the second trading day prior to the closing date of the merger. We encourage you to obtain current Market price quotations for Motorola common shares.

Assuming the merger closes on September 25, 2001, holders of Series B preferred stock will receive approximately the first \$62.6 million of consideration. The remaining consideration will be paid to the holders of

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RiverDelta Series A preferred stock and common stock. The holders of Series A preferred stock will receive the same consideration that they would receive if they had converted to common stock.

Under the merger agreement and an escrow agreement, 10% of the shares of Motorola common stock that you would otherwise be entitled to receive in the merger will be deposited in an escrow account and may be used to compensate Motorola in the event that it is entitled to indemnification under the merger agreement or to the extent that there is a reduction in the purchase price based on a post-closing audit adjustment.

In addition, as no fractional shares of Motorola common stock will be issued, you will receive cash payments instead of any fractional shares of Motorola common stock that you would have otherwise received.

### Ownership of Shares after the Merger

After giving effect to the merger, we expect that the former RiverDelta stockholders will hold less than 1% of the outstanding Motorola common stock as a result of the merger, based upon the number of issued and outstanding shares of Motorola common stock as of August 14, 2001.

### The Merger (see page 24)

We propose that a wholly-owned subsidiary of Motorola formed for the purpose of the merger merge with and into RiverDelta. As a result, RiverDelta will become a wholly-owned subsidiary of Motorola.

We have attached the merger agreement, which is the legal document that governs the merger, as Appendix A-1 to this proxy statement/prospectus (a minor amendment to the merger agreement is attached as Appendix A-2 to this proxy statement/prospectus). We encourage you to read the merger agreement. We have also filed other related agreements as exhibits to Motorola's registration statement on Form S-4 containing this proxy statement/prospectus. Please see the section titled "Where You Can Find More Information" on page 73 for instructions on how to obtain copies of these exhibits.

### Effects of the Merger on the Rights of RiverDelta Stockholders (see page 61)

The rights of RiverDelta stockholders who receive Motorola common stock in the merger will continue to be governed by Delaware law, but will also be governed by Motorola's charter and by-laws. The rights of RiverDelta stockholders under Motorola's charter and by-laws will differ in certain respects from their rights under RiverDelta's restated certificate of incorporation and by-laws. See "Comparison of Certain Rights of Common Stockholders of Motorola and Stockholders of RiverDelta" beginning on page 61 for a discussion of the material differences between the rights of holders of Motorola common stock and of RiverDelta stock.

### Listing of Motorola Common Stock (see page 43)

It is a condition to the completion by RiverDelta of the merger that the shares of Motorola common stock to be issued to the RiverDelta stockholders in the merger, or upon the exercise of RiverDelta options assumed by Motorola in connection with the merger, are authorized for listing on the New York Stock Exchange.

### Conditions to the Merger (see page 47)

We will complete the merger only if certain conditions are satisfied or waived, including but not limited to:

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- . the requisite approval of the RiverDelta stockholders;

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- . the expiration or termination of all applicable waiting periods and any extensions of these periods, under the Hart-Scott-Rodino Act;
- . no material adverse effect to the business of RiverDelta;
- . appraisal rights must not have been perfected for more than 5% of the aggregate shares of RiverDelta on a fully converted basis;
- . RiverDelta's receipt of a payoff letter in connection with principal and interest incurred under a loan and security agreement with Silicon Valley Bank;
- . certain employees must continue to be employed by RiverDelta after the effective time of the merger, must enter into retention agreements and must not be in breach of those retention agreements; and
- . the satisfaction of other customary contractual conditions set forth in the merger agreement.

Termination (see page 49)

Either Motorola or RiverDelta may terminate the merger agreement if:

- . the merger is not completed on or before October 31, 2001 (subject to extension to November 30, 2001 under circumstances described in the merger agreement);
- . a final and nonappealable governmental order is entered enjoining or prohibiting the completion of the merger; or
- . the other party breaches its representations, warranties or agreements in certain circumstances and the breaching party fails to cure the breach within 20 days of receiving written notice of the breach.

Motorola and RiverDelta may also mutually agree to terminate the merger agreement without completing the merger.

Fees and Expenses (see page 49)

Whether or not the merger is completed, each party to the merger agreement will pay its own fees, costs and expenses. However, at the closing of the merger, RiverDelta will deliver to Motorola a certificate that sets forth the amount of all fees and expenses incurred by RiverDelta for the retention of advisors in connection with the transactions contemplated by the merger agreement. Motorola will pay such amounts by means of wire transfers of funds at the closing of the merger. These expenses will be deemed to be current liabilities (without duplication of such expenses already on any balance sheet) in the calculation of the net working capital as described in the merger agreement and will therefore decrease the total consideration received by the stockholders.

Appointment of Stockholders' Representative (see page 51)

As provided by the terms of the merger agreement, the approval by the RiverDelta stockholders of the merger agreement and the merger will constitute the approval of the appointment of Todd Dagnes, a director of RiverDelta and a beneficial owner of approximately 18% of the common stock of RiverDelta on an

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as converted basis, as the stockholders' representative under the merger agreement and will be deemed to be the approval by the RiverDelta stockholders of the performance by the stockholders' representative of all rights and obligations conferred on the stockholders' representative under the merger agreement and the escrow agreement. The letter of transmittal to be executed by the RiverDelta stockholders in order to receive the Motorola common stock to be issued in connection with the merger will also confirm the appointment of Todd Dagues.

Indemnification of Motorola; Escrow Agreement (see page 51)

The merger agreement provides that 10% of the Motorola common stock that any RiverDelta stockholder is otherwise entitled to receive in the merger will be deposited in escrow with an escrow agent as soon as practicable after the closing date of the merger.

Upon approval of the merger agreement and the merger, and upon their receipt of the merger consideration, the RiverDelta stockholders have agreed to indemnify Motorola and its directors, officers,

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employees, agents and advisors from and against any and all damages and liabilities (including reasonable legal fees) arising out of:

- . any breach in any representation or warranty made by RiverDelta in the merger agreement or in any certificate delivered pursuant to the merger agreement;
- . any breach or default by RiverDelta of any of the covenants or agreements given or made by it in the merger agreement or in any certificate delivered pursuant to the merger agreement; or
- . certain other matters described in the disclosure schedule to the merger agreement.

With respect to claims for indemnification, Motorola may not seek indemnification from the RiverDelta stockholders until the aggregate amount of all damages for which Motorola is seeking indemnification is at least \$350,000 and the RiverDelta stockholders are then liable for the amount of any such damages in excess of \$250,000. The escrow fund will terminate on the eighteenth-month anniversary of the closing date of the merger.

Credit Agreement (see page 54)

On July 11, 2001, in connection with the merger agreement, Motorola and RiverDelta entered into a credit agreement pursuant to which Motorola will provide RiverDelta with loans of up to \$35 million to fund its working capital requirements pending the closing of the merger. The loans extended under the credit agreement will accrue interest at a rate of 10% per annum, but interest is not payable in cash until the maturity of the loans.

The loans and interest are due and payable on the earlier of (a) July 11, 2002 and (b) the date of termination of Motorola's loan commitment due to an event of default.

Original Equipment Manufacturer Agreement (see page 55)

Independent of the merger, RiverDelta and Motorola entered into an original equipment manufacturer agreement on August 1, 2001, pursuant to which RiverDelta will manufacture, test, deliver and sell data communications

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products of its design and manufacture to Motorola and provide support for such products.

Additional Proposals (see page 56)

In connection with the merger agreement and the merger, it is proposed that RiverDelta amend the RiverDelta restated certificate of incorporation to increase the total number of shares of authorized capital stock of RiverDelta to 85,860,000, by increasing the number of authorized shares of RiverDelta preferred stock to 13,860,000, and to designate 6,500,000 shares of preferred stock as Series B preferred stock.

Holders of RiverDelta Series A preferred stock will also be asked, in lieu of receiving their liquidation preference of \$1.359 per share of Series A preferred stock, to elect to be deemed to have converted all shares of Series A preferred stock into shares of common stock immediately prior to the effective time of the merger.

Forward-Looking Statements (see page 72)

Motorola and RiverDelta have made forward-looking statements in this proxy statement/prospectus and in the documents to which we have referred you. These statements are subject to risks and uncertainties, and therefore may not prove to be correct. Forward-looking statements include assumptions as to how Motorola may perform after the merger and, accordingly, it is uncertain whether any of the events anticipated by the forward-looking statements will transpire or occur, or, if any of them do transpire or occur, what impact they will have on the results of operations and financial condition of Motorola or the price of its stock. See "Special Note Regarding Forward-Looking Statements" on page 72 for further details.

When we use words like "believes," "expects," "anticipates" or similar expressions, we are making forward-looking statements. For those statements, Motorola and RiverDelta claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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### SUMMARY SELECTED FINANCIAL INFORMATION

#### Motorola Selected Historical Consolidated Financial Data

The selected historical consolidated financial data of Motorola as of December 31, 2000 and 1999 and for the years ended December 31, 2000, 1999 and 1998 have been derived from consolidated financial statements of Motorola. These consolidated financial statements have been audited by KPMG LLP, independent auditors, and are incorporated by reference into this proxy statement/prospectus. The selected historical consolidated financial data of Motorola as of December 31, 1998 and for the year ended December 31, 1997 have been derived from audited consolidated financial statements of Motorola previously filed with the Securities and Exchange Commission, but are not incorporated by reference in this proxy statement/prospectus. The selected historical consolidated financial data of Motorola as of December 31, 1997 and 1996 and for the year ended December 31, 1996 have been derived from audited consolidated financial statements of Motorola and General Instrument Corporation (merged on January 5, 2000 and accounted for as a pooling of interests), previously filed with the Securities and Exchange Commission, but are not incorporated by reference in this proxy statement/prospectus. The selected historical consolidated financial data as of June 30, 2001 and for the six months ended June 30, 2001 and July 1, 2000, have been derived from

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unaudited condensed consolidated financial statements filed with the SEC and are incorporated by reference herein and, in the opinion of management, contain all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of Motorola's financial position and results of operations as of and for such periods. Operating results for the six months ended June 30, 2001 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2001. This information is qualified in its entirety by, and should be read in conjunction with, the consolidated financial statements, the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for Motorola incorporated by reference in this proxy statement/prospectus.

	For the Six Months Ended		For the Year Ended December 31,				
	June 30, 2001	July 1, 2000	2000	1999	1998	1997	1996
	(in millions, except per share data)						
Consolidated Statements of Operations Data:							
Net sales.....	\$15,274	\$18,023	\$37,580	\$33,075	\$31,340	\$31,498	\$29,657
Cost and expenses:							
Manufacturing and other costs of sales.....	11,154	10,708	23,628	20,631	19,396	18,532	17,854
Selling, general and administrative expenses.....	1,999	2,610	5,141	5,220	5,807	5,443	4,891
Research and development expenditures.....	2,258	2,122	4,437	3,560	3,118	2,930	2,572
Depreciation expense...	1,216	1,126	2,352	2,243	2,255	2,394	2,367
Reorganization of businesses.....	860	--	596	(226)	1,980	327	--
Other charges.....	394	416	517	1,406	109	--	249
Interest expense, net..	188	101	248	138	215	136	211
Gains on sales of investments and businesses.....	(1,356)	(120)	(1,570)	(1,180)	(260)	(70)	(113)
Total costs and expenses.....	\$16,713	\$16,963	\$35,349	\$31,792	\$32,620	\$29,692	\$28,031
Earnings (loss) before income taxes.....	(1,439)	1,060	2,231	1,283	(1,280)	1,806	1,626
Income tax provision (benefit).....	(147)	408	913	392	(373)	642	568
Net earnings (loss)....	\$(1,292)	\$ 652	\$ 1,318	\$ 891	\$ (907)	\$ 1,164	\$ 1,058
Per Share Data:							
Net earnings (loss) per common share(/1/)							
Basic.....	\$ (0.59)	\$ 0.30	\$ 0.61	\$ 0.42	\$ (0.44)	\$ 0.57	\$ 0.52
Diluted.....	\$ (0.59)	\$ 0.29	\$ 0.58	\$ 0.41	\$ (0.44)	\$ 0.56	\$ 0.51
Weighted average common shares outstanding(/1/)							
Basic.....	2,198.8	2,156.0	2,170.1	2,119.5	2,071.1	2,040.9	2,031.6
Diluted.....	2,198.8	2,254.2	2,256.6	2,202.0	2,071.1	2,091.2	2,081.0
Dividends declared per share(/2/).....							
	\$ 0.08	\$ 0.08	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.15

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(/1/The)1996 through 1999 amounts are restated to reflect the June 1, 2000 3-

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for-1 stock split.  
 (/2/Dividends)declared per share for 1996 through 1999 represent dividends on  
 Motorola common stock outstanding prior to the General Instrument merger.

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		December 31,					
June 30, 2001	July 1, 2000	2000	1999	1998	1997	1996	
(in millions)							
Consolidated Balance Sheets:							
Total assets.....	\$38,728	\$45,641	\$42,343	\$40,489	\$30,951	\$28,954	\$25,665
Working capital.....	6,589	5,220	3,628	4,679	2,532	4,597	3,696
Long-term debt and redeemable preferred securities.....	7,299	3,570	4,778	3,573	2,633	2,144	1,931
Total debt and redeemable preferred securities.....	11,281	8,439	11,169	6,077	5,542	3,426	3,328
Total stockholders' equity.....	16,301	21,473	18,612	18,693	13,913	14,487	12,843

### Motorola Per Share Data

The following table sets forth certain historical per share data of Motorola for the six months ended June 30, 2001 and the year ended December 31, 2000.

	For the Six Months Ended June 30, 2001	For the Year Ended December 31, 2000
	(unaudited)	(unaudited)
Motorola historical per share data		
Income (loss) per common share, basic.....	\$(0.59)	\$0.61
Income (loss) per common share, diluted.....	(0.59)	0.58
Book value per share(/1/).....	7.37	8.49

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 (/1/Historical)book value per share is computed by dividing total stockholders' equity by the number of shares of common stock outstanding at the end of each period.

### Market Price and Dividend Information

Motorola common stock is currently traded on the New York Stock Exchange, or NYSE, under the symbol "MOT". Motorola common stock is also listed and trades on the Chicago, London and Tokyo stock exchanges.

The following table sets forth the high and low sale prices for a share of Motorola common stock and the dividends declared for the periods indicated. The

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prices for Motorola common stock are as reported on the NYSE Composite Transaction Tape, based on published financial sources.

	Motorola Common Stock(/1/)		
	High	Low	Cash Dividend Per Share (/2/)
Calendar Year 1999			
First Quarter.....	\$25.79	\$20.85	\$.04
Second Quarter.....	33.04	24.58	.04
Third Quarter.....	33.83	27.33	.04
Fourth Quarter.....	49.83	28.33	.04
Calendar Year 2000			
First Quarter.....	\$61.54	\$39.26	\$.04
Second Quarter.....	52.55	28.61	.04
Third Quarter.....	39.67	27.20	.04
Fourth Quarter.....	29.76	15.78	.04
Calendar Year 2001			
First Quarter.....	\$25.06	\$13.93	\$.04
Second Quarter.....	17.00	10.50	.04
Third Quarter (through August 14, 2001)....	19.40	15.37	.04

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 (/1/Reflects)the June 1, 2000 3-for-1 stock split.

(/2/The)1999 amounts represent dividends per share on Motorola common stock outstanding prior to the General Instrument merger.

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The following table lists the closing prices per share of Motorola common stock as reported on the NYSE on:

- . July 30, 2001, the last full trading day prior to public announcement of the merger agreement; and
- . August 14, 2001, the last full trading day for which closing prices were available at the time of the printing of this proxy statement/prospectus.

	Motorola Common Stock
July 30, 2001.....	\$19.03
August 14, 2001.....	\$18.41

We urge RiverDelta stockholders to obtain current market quotations for Motorola common stock. We cannot give any assurance as to the future prices or markets for Motorola common stock.

RiverDelta's capital stock is not listed for trading on any exchange or automated quotation service. As of the record date, there were approximately [        ] holders of record of RiverDelta capital stock. RiverDelta has never declared or paid cash dividends on its common stock and does not plan to pay

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any cash dividends prior to the merger.

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### RISK FACTORS

You should carefully consider the following important factors, in addition to the other information included and incorporated by reference in this proxy statement/prospectus, to determine whether to vote for the proposals relating to the merger. See "Where You Can Find More Information" on page 73.

#### Risks Relating to the Merger

RiverDelta's stockholders may never receive the shares of Motorola common stock placed in escrow. Under the merger agreement and an escrow agreement, 10% of the Motorola common stock that RiverDelta stockholders would otherwise be entitled to receive in the merger will be deposited in an escrow account to secure the indemnification obligations of the RiverDelta stockholders under the merger agreement or to be delivered to Motorola to the extent that there is a reduction in the purchase price based on the post-closing audit adjustment. The escrow account will terminate eighteen months after the date of the merger. If Motorola makes no claims for indemnification, or there is no reduction in the purchase price based on the post-closing audit adjustment, all of the shares held in escrow will be released to the RiverDelta stockholders within five business days after such termination date. However, Motorola may make claims against the shares held in escrow for damages and liabilities (including reasonable legal fees) arising out of:

- . any breach in any representation or warranty made by RiverDelta in the merger agreement or in any certificate delivered pursuant to the merger agreement;
- . any breach or default by RiverDelta of any of the covenants or agreements given or made by it in the merger agreement or in any certificate delivered pursuant to the merger agreement; or
- . certain other matters described in the disclosure schedule to the merger agreement.

Moreover, the purchase price paid by Motorola is subject to a purchase price adjustment based on a post-closing audit. This may reduce the number of shares of Motorola stock released to the RiverDelta stockholders.

There can be no assurance that the RiverDelta stockholders will receive any of the shares held in the escrow account should they be required to indemnify Motorola, or to satisfy the reduction in the purchase price based on the post-closing audit adjustment, under the terms of the merger agreement.

The actual number of shares of Motorola common stock to be issued for each share of RiverDelta common or preferred stock will be determined based on the average trading price for the twenty trading days ending two trading days prior to the date of the merger. Because the exchange ratios will not be adjusted after the date of determination, the value of the Motorola common stock when issued in the merger may be lower than the average trading value used to calculate the exchange ratio.

These variations may be the result of various factors including:

- . changes in the business, operations or prospects of Motorola;
- . governmental or regulatory considerations; and

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. general stock market and economic conditions.

Conditions to the merger may not be satisfied. The merger agreement contains conditions that, if not satisfied or waived, would result in the merger not occurring, even though the RiverDelta stockholders may have approved it. We cannot assure you that all of the closing conditions to the merger will be satisfied, that any unsatisfied conditions will be waived or that the merger will occur. If the merger does not occur, expenses incurred by RiverDelta that are not reimbursed by Motorola could have a material adverse effect on the financial and operating results of RiverDelta.

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RiverDelta may lose an opportunity to enter into a merger or business combination with another party on more favorable terms because of provisions in the merger agreement that prohibit RiverDelta from entering into such transactions or soliciting such proposals. While the merger agreement is in effect, RiverDelta is prohibited from entering into or soliciting, initiating or encouraging any inquiries or proposals that may lead to a proposal or offer to enter into certain transactions, such as a merger, sale of assets or other business combination, with any person other than Motorola. As a result of this prohibition, RiverDelta may lose an opportunity to enter into a transaction with another potential partner on more favorable terms.

If the merger is not completed, RiverDelta may be unable to attract another strategic partner on equivalent or more attractive terms than those being offered by Motorola. If the merger agreement is terminated and the RiverDelta board of directors determines that it is in the best interests of the RiverDelta stockholders to seek a merger or business combination with another strategic partner, RiverDelta cannot assure you that it will be able to find a partner offering terms equivalent to or more attractive than the price and terms offered by Motorola in the merger.

The price of Motorola common stock may be affected by factors different from those affecting the value of RiverDelta stock. Upon completion of the merger, RiverDelta stockholders will become Motorola common stockholders. Motorola's business differs from that of RiverDelta, and Motorola's results of operations, as well as the price of Motorola common stock, may be affected by factors different from those affecting RiverDelta's results of operations and the value of RiverDelta stock. For a discussion of Motorola's business and certain factors to consider in connection with its business, see Motorola's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and Motorola's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2001, each of which is incorporated by reference in this proxy statement/prospectus.

Some of RiverDelta's directors and officers have interests that differ in several respects from RiverDelta stockholders. In considering the recommendation of the RiverDelta board of directors to approve the merger agreement and the merger, you should consider that some of RiverDelta's directors and officers have interests that differ from, or are in addition to, their interests as RiverDelta stockholders generally. These interests include benefits provided to them by Motorola under retention agreements, the continuation of certain indemnification arrangements and the ownership of certain subordinated convertible promissory notes.

Clients of Motorola and/or RiverDelta may delay or cancel contracts as a result of concerns over the merger. The announcement and closing of the merger could cause clients and potential clients of Motorola and RiverDelta to delay or cancel contracts as a result of client concerns and uncertainty over the combined company's offerings, personnel or services. Such a delay or

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cancellation could have a material adverse effect on the business, operating results and financial condition of Motorola and RiverDelta.

### Risks Related to RiverDelta

As a stand-alone company, RiverDelta's business is subject to numerous risks and uncertainties, including those described below. RiverDelta's stockholders should understand that these and other risks will continue to apply to RiverDelta's business if the merger is not consummated.

RiverDelta has a history of losses and expects to incur future losses. Since its inception in March 1999, RiverDelta has not achieved profitability. As RiverDelta only began to recognize revenues during the fourth quarter of 2000, RiverDelta cannot assure you that its revenue will continue to grow or that it will realize sufficient revenue to achieve profitability. RiverDelta has incurred cumulative net losses of approximately \$76.3 million from inception through June 30, 2001, including losses of approximately \$7.3 million for fiscal year 1999, \$41.7 million for fiscal year 2000 and \$27.3 million for the six months ended June 30, 2001. If the merger with Motorola is not consummated, RiverDelta would expect to increase its operating expenses to expand its sales and marketing activities, develop new distribution channels, fund increased levels of research and development and build its operational infrastructure. If RiverDelta's future revenue does not increase substantially, these increased expenditures would have a materially adverse effect on RiverDelta's future business, results of operations and financial condition.

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RiverDelta will need additional financing. If the merger with Motorola is not consummated and RiverDelta continues as a stand-alone company, RiverDelta will not have sufficient cash resources to continue its business operations as they are now being conducted without obtaining significant additional debt and/or equity funds to provide working capital for RiverDelta's continuing operations. While RiverDelta believes that it would be able to raise the funds required to finance its operations as a stand-alone company, it cannot assure you that the required funds would be available when needed or that they can be obtained on terms favorable to RiverDelta. If the required funds cannot be obtained, RiverDelta could be forced to revise its business plans, including possible curtailment of its future business operations, reduction of its planned future growth or a combination with another company on terms less favorable than the terms governing RiverDelta's merger with Motorola.

Market acceptance of RiverDelta's broadband and optical services routers and platform is not assured and may not be achieved. If RiverDelta's broadband and optical services routers and platform do not achieve market acceptance, or if market acceptance occurs more slowly than expected, RiverDelta's ability to increase its revenues and achieve profitability could be harmed. The success of RiverDelta's product depends, in part, on the ability to make potential customers recognize the advantages and cost-effectiveness of the products. In addition, many of RiverDelta's customers and potential customers have long-standing relationships with suppliers of competing technologies and network architectures that have already achieved a degree of market acceptance. If RiverDelta's broadband and optical services routers and platform do not quickly achieve sufficient customer acceptance, RiverDelta may be unable to attract additional users to generate the volume of business necessary for widespread acceptance of its products.

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THE COMPANIES

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### Motorola

Motorola is a global leader in providing integrated communications solutions and embedded electronic solutions. These include:

- . software-enhanced wireless telephone, two-way radio and messaging products and systems, as well as networking and Internet-access products, for consumers, network operators and commercial, government and industrial customers;
- . end-to-end systems for the delivery of interactive digital video, voice and high-speed data solutions for broadband operators;
- . embedded semiconductor solutions for customers in the networking and computing, transportation, wireless communications and digital consumer/home networking markets; and
- . embedded electronic systems for automotive, industrial, transportation, navigation, communications and energy systems markets.

Motorola's worldwide sales in 2000 were \$37.6 billion.

Motorola's Broadband Communications Sector designs, manufactures and sells digital and analog systems and set-top terminals for wired and wireless cable television networks; high speed data products, including DOCSIS cable modems, as well as emerging Internet Protocol (IP)-based telephony products; hybrid fiber/coaxial network transmission systems used by cable television operators; digital satellite television systems for programmers; direct-to-home (DTH) satellite networks and private networks for business communications, and high-definition digital broadcast products for the cable and broadcast industries.

The Broadband Communications Sector's products are marketed primarily to cable television operators, satellite television programmers, and other communications providers worldwide. Motorola is a Delaware corporation and the shares of Motorola common stock primarily trade on the New York Stock Exchange under the symbol "MOT".

Motorola's principal executive offices are located at 1303 East Algonquin Road, Schaumburg, Illinois 60196, and its telephone number is (847) 576-5000.

Additional information regarding Motorola is included in Motorola's reports filed under the Securities Exchange Act of 1934 that are incorporated by reference in this document. See "Where You Can Find More Information" on page 73. Additional information concerning Motorola can also be found at Motorola's website at [www.motorola.com](http://www.motorola.com).

### RiverDelta

RiverDelta designs, develops and markets Internet Protocol, or IP, edge routing, aggregation and service delivery solutions for broadband, or cable, service providers. RiverDelta's products enable broadband service providers to offer high-quality voice, high-speed data and enhanced broadband services to their business and residential customers.

RiverDelta sells its products to broadband service providers, broadband equipment manufacturers and systems integrators. RiverDelta is in customer trials with leading broadband service providers such as Adelphia, Armstrong Cable, Comcast, Cox Communications, Insight Communications and Time Warner. As of July 27, 2001, customers deploying RiverDelta's products included Armstrong Cable, Conway Corporation, Cox Communications and Insight Communications.

RiverDelta provides an end-to-end solution comprised of multiple next-generation products designed to address the requirements of broadband service providers. RiverDelta's broadband services router, or BSR 64000, provides a flexible, high capacity, fully redundant platform for broadband service delivery through a full suite of high-speed access and transport interfaces, including DOCSIS, ATM/Packet-Over-SONET (ATM/POS) and Gigabit-Ethernet. RiverDelta's BSR 1000 broadband services router provides a medium capacity DOCSIS cable modem termination system and IP edge router that connects business and residential customers to the Internet using cable broadband access technologies. RiverDelta's optical services router, or OSR 2000, is a compact, cost-effective, high-performance, IP edge routing solution that connects optical regional and metropolitan area networks with high-performance access and local area networks. RiverDelta's RiverGuide Service Creation Environment (SCE) platform integrates with its BSR 64000, BSR 1000 and OSR 2000 to define and deploy managed IP services.

RiverDelta currently has approximately 206 employees. RiverDelta has two facilities located in Tewksbury, Massachusetts, one with executive offices and research and development laboratories and the other with manufacturing facilities, administrative offices and a sales office. RiverDelta also has sales offices located in Englewood, Colorado, Newport Beach, California, Freehold, New Jersey, and Basingstoke, United Kingdom. RiverDelta leases all of its facilities.

RiverDelta Networks, Inc. was incorporated in Delaware as Packet View, Inc. on July 23, 1998. RiverDelta is a privately held corporation with approximately 158 stockholders and one wholly-owned subsidiary, RiverDelta Networks International, Inc.

RiverDelta's principal executive offices are located at 3 Highwood Drive East, Tewksbury, Massachusetts 01876, and its telephone number is (978) 858-2300.

#### THE RIVERDELTA SPECIAL MEETING

We are furnishing this proxy statement/prospectus to RiverDelta stockholders in connection with the solicitation of proxies from RiverDelta stockholders for use at the special meeting of RiverDelta stockholders to be held on [            ], 2001 and at any adjournment or postponement of the meeting. We are also furnishing this proxy statement/prospectus to RiverDelta stockholders as a prospectus in connection with the issuance by Motorola of shares of Motorola common stock in the merger.

#### Date, Time and Place

The special meeting will be held on [            ], 2001, at 10:00 a.m. local time, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111.

#### Matters to be Considered at the Special Meeting

At the special meeting of RiverDelta stockholders, and any adjournment of the special meeting, RiverDelta stockholders will be asked:

- . to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger by and among Motorola, Bayou Merger Sub, Inc. and

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RiverDelta, dated as of July 11, 2001, and the merger under which RiverDelta will become a wholly-owned subsidiary of Motorola, as a result of which Todd Dagres will be appointed as the stockholders' representative under the merger agreement;

- . to consider and vote upon a proposal to amend the restated certificate of incorporation of RiverDelta in order to increase the total number of shares of authorized capital stock of RiverDelta to 85,860,000 by increasing the number of authorized shares of RiverDelta preferred stock to 13,860,000, and to designate 6,500,000 shares of preferred stock as Series B preferred stock;
- . to consider and vote upon a proposal for the holders of Series A preferred stock to elect to be deemed to have converted all shares of Series A preferred stock into shares of RiverDelta common stock immediately prior to the effective time of the merger; and
- . to consider and transact such other matters which may properly come before the special meeting or any and all adjournments thereof.

### Board of Directors Recommendation

The RiverDelta board of directors has unanimously approved the merger and the merger agreement and determined that the terms of the merger and the merger agreement are advisable and fair to, and in the best interests of, RiverDelta and its stockholders. The RiverDelta board of directors unanimously recommends a vote "FOR" approval of the merger agreement and the merger and "FOR" approval of each other proposal to be considered at the special meeting.

### Record Date

The RiverDelta board of directors fixed the close of business on [            ], 2001 as the record date for the special meeting. Accordingly, only stockholders of record of RiverDelta stock at the close of business on [            ], 2001 are entitled to notice of and to vote at the special meeting.

### Quorum

The presence at the special meeting, either in person or by proxy, of a majority of the RiverDelta shares issued and outstanding on the record date is necessary to constitute a quorum to transact business at that meeting. If a quorum is not present, it is expected that the special meeting will be adjourned or postponed in order to solicit additional proxies. Abstentions will be counted for the purpose of determining whether a quorum is present. Because certain officers, directors and stockholders of RiverDelta have entered into a voting agreement (see page 50) with Motorola, a quorum will be present.

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### Stockholders Entitled to Vote

At the close of business on the record date, [            ], 2001, there were [            ] shares of RiverDelta common stock outstanding and entitled to vote held by [            ] stockholders of record. At the close of business on the record date, there were 7,358,358 shares of RiverDelta Series A preferred stock outstanding and entitled to vote held by 15 stockholders of record. At the close of business on the record date, there were 2,956,988 of RiverDelta Series B preferred stock outstanding and entitled to vote held by 13 stockholders of record.

The holders of RiverDelta common stock are entitled to cast one vote for

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each share of common stock they hold on each matter submitted to the common stockholders for a vote at the special meeting. The holders of RiverDelta Series A preferred stock are entitled to cast three votes for each share of RiverDelta Series A preferred stock that they hold. The holders of RiverDelta Series B preferred stock are entitled to cast one and one-half votes for each share of Series B preferred stock that they hold.

### Vote Required

Approval and adoption of the merger agreement and the merger requires the affirmative vote of the holders of a majority of the RiverDelta common stock and Series A and Series B preferred stock outstanding on the record date on an as converted basis, voting together as a single class.

The approval of the amendment to RiverDelta's restated certificate of incorporation requires the approval of a majority of the outstanding shares of RiverDelta common stock and RiverDelta Series A and Series B preferred stock on the record date on an as converted basis, voting together as a single class. The approval of the election by the holders of shares of RiverDelta Series A preferred stock to be deemed to have converted all shares of RiverDelta Series A preferred stock into RiverDelta common stock immediately prior to the closing of the merger will require the approval of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of RiverDelta Series A preferred stock on the record date, voting as a separate class.

At the close of business on the record date, [ ]% of the outstanding shares of RiverDelta common stock and Series A and Series B preferred stock on an as converted basis, and [ ]% of the outstanding shares of RiverDelta Series A preferred stock were held by directors and officers of RiverDelta and their affiliates. All of the shares beneficially owned by the directors of RiverDelta, two of whom are executive officers, are subject to a voting agreement to vote the shares in favor of the approval and adoption of the merger agreement.

Failure to vote and abstentions will not be deemed to be cast either "FOR" or "AGAINST" the merger agreement and the merger or any other proposal. However, because approval and adoption of the merger agreement and the merger and each other proposal requires the affirmative vote of the holders of the requisite majority or supermajority of the outstanding RiverDelta shares, the failure to vote and abstentions will have the same effect as a vote "AGAINST" the merger agreement and the merger and each other proposal.

### Voting Agreement

On July 11, 2001, certain stockholders of RiverDelta, including certain officers and directors of RiverDelta, entered into a voting agreement, pursuant to which, among other things, they agreed to vote their shares of RiverDelta stock "FOR" approval of the merger agreement and the merger and otherwise in such manner as may be necessary to consummate the merger. A copy of the voting agreement is attached as Appendix B to this proxy statement/prospectus. Each of these stockholders has also granted an irrevocable proxy and a power of attorney to Motorola representatives to vote his, her or its shares of RiverDelta stock "FOR" approval of the merger agreement and the merger and in such other manner as may be necessary to consummate the merger. On the record date, the RiverDelta stockholders that are parties to the voting agreement collectively owned and were entitled to vote approximately:

- . 64.2% of the outstanding shares of RiverDelta common stock and Series A and Series B preferred stock on an as converted basis, voting together as a single class; and

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- . 90% of the shares of outstanding RiverDelta Series A preferred stock, voting as a separate class.

### Proxies

All shares represented by properly executed proxy cards received in time for the special meeting will be voted at the special meeting in the manner specified by the holders. Properly executed proxy cards that do not contain voting instructions with respect to approval of the merger agreement and the merger and each other proposal presented at the special meeting will be voted "FOR" approval of the merger agreement and the merger and each other proposal.

Shares of RiverDelta stock represented at the special meeting but not voting, including shares of RiverDelta stock for which proxy cards have been received but for which holders of shares have abstained, will be treated as present at the special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business.

Only shares affirmatively voted for approval of the merger agreement and the merger and each other proposal presented at the special meeting, including properly executed proxy cards that do not contain voting instructions, will be counted as favorable votes for such proposals.

The persons named as proxies by a stockholder may propose and vote for one or more adjournments of the special meeting, including adjournments to permit further solicitations of proxies. No proxy voted against the proposals to be presented at the special meeting will be voted in favor of any adjournment or postponement.

### Revocability of Proxies

You may revoke your proxy at any time prior to its use:

- . by delivering to the secretary of RiverDelta at the address set forth below a signed notice of revocation or a later-dated, signed proxy card; or
- . by attending the special meeting and voting in person.

Attendance at the special meeting is not in itself sufficient to revoke a proxy.

All written notices of revocation and other communications with respect to revocation of proxies should be addressed to RiverDelta Networks, Inc., 3 Highwood Drive East, Tewksbury, Massachusetts 01876, Attention: Secretary. A proxy appointment will not be revoked by death or incapacity of the RiverDelta stockholder executing the proxy card unless, before the shares are voted, notice of such death or incapacity is filed with RiverDelta's secretary or other person responsible for tabulating votes on RiverDelta's behalf.

### Solicitation of Proxies and Expenses

RiverDelta will pay the cost of soliciting proxies from its stockholders. In addition to solicitation by mail, RiverDelta's directors, officers and employees may solicit proxies by telephone, fax, e-mail, telegram or in person.

Please do not send stock certificates with your proxy card. A transmittal form with instructions concerning the surrender of RiverDelta stock certificates will be mailed to you by Motorola's exchange agent promptly after completion of the merger.

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### Dissenters' Rights to Appraisal

If you do not wish to accept Motorola common stock in the merger, you have the right under Delaware law to have the fair value of your RiverDelta shares determined by the Delaware Chancery Court. This right to

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appraisal is subject to a number of restrictions and technical requirements. Generally, in order to exercise your appraisal rights:

- . you must send a written demand to RiverDelta for appraisal in compliance with Delaware law before the vote on the merger;
- . you must not vote in favor of the merger; and
- . you must continuously hold your RiverDelta stock from the date you make the demand for appraisal through the closing of the merger.

Merely voting against the merger will not protect your rights to an appraisal. Appendix C to this proxy statement/prospectus contains a copy of the Delaware statute governing appraisal rights. Failure to follow all the steps required by Delaware law will result in the loss of your rights to appraisal. The Delaware law requirements for exercising appraisal rights are described in further detail beginning on page 33. See "The Merger--Statutory Appraisal Rights" on page 33 and "The Merger--Appraisal Rights Procedures" on page 33.

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### THE MERGER

This section of the proxy statement/prospectus, as well as the next section titled "The Merger Agreement" beginning on page 37, describes certain aspects of the proposed merger. These sections highlight key information about the merger agreement and the merger, but they may not include all the information that a stockholder would like to or should know. The merger agreement is attached as Appendix A-1 to this proxy statement/prospectus (a minor amendment to the merger agreement is attached as Appendix A-2 to this proxy statement/prospectus). We urge you to read the merger agreement in its entirety.

#### Structure of the Merger

If the merger is adopted by the holders of a majority of the outstanding RiverDelta common and Series A and Series B preferred shares on an as converted basis, voting together as a single class, and by sixty-six and two-thirds (66 2/3%) of the outstanding RiverDelta Series A preferred shares, voting as a separate class, and the other conditions to the merger are satisfied, Bayou Merger Sub, Inc., a wholly-owned subsidiary of Motorola, formed for the purpose of the merger, will merge with and into RiverDelta, with RiverDelta being the surviving corporation in the merger and becoming a wholly-owned subsidiary of Motorola.

#### Background

In April of 2000, representatives of Motorola and RiverDelta had preliminary discussions concerning a possible relationship between the two companies.

Between April 2000 and September 2000, RiverDelta had preliminary discussions with several large broadband network equipment manufacturers about

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a possible acquisition of RiverDelta.

In two separate meetings in July 2000 and August 2000, representatives from Motorola and RiverDelta held preliminary discussions regarding a potential transaction between the two companies.

In September of 2000, Richard C. Smith and Daniel Moloney, of Motorola, met with David Callan, Mike Brown and Todd Dagres, a director of RiverDelta and a general partner of Battery Ventures, in Tewksbury, Massachusetts, to discuss a possible acquisition of RiverDelta by Motorola. These discussions did not lead to agreement on the terms of a potential acquisition, and discussions were terminated.

On September 28, 2000, RiverDelta retained Credit Suisse First Boston as its financial advisor with respect to a possible acquisition of RiverDelta.

In December of 2000, Richard C. Smith, Daniel Moloney and Ed Breen, of Motorola, met with David Callan and Mike Brown, of RiverDelta, in Horsham, Pennsylvania, to discuss a possible acquisition of RiverDelta by Motorola. These discussions did not lead to agreement on the terms of a potential acquisition.

In April of 2001, as part of a review of the strategic plan for Motorola's Broadband Communications Sector, the board of directors of Motorola discussed RiverDelta as a potential acquisition candidate.

In April of 2001, representatives of the parties met in Horsham, Pennsylvania, to re-engage in discussions regarding a possible acquisition of RiverDelta by Motorola. Over the next several weeks, the parties held periodic discussions regarding the possible combination.

On May 22, 2001, Motorola presented RiverDelta with term sheets outlining the general terms of a proposed acquisition, together with proposed terms regarding a bridge credit facility. Detailed due diligence and discussions regarding the term sheets continued periodically thereafter.

On June 18, 2001, Motorola provided a draft definitive merger agreement to RiverDelta, and, on June 19, 2001, Motorola provided a draft definitive credit agreement. Over the next several weeks, Motorola and RiverDelta and their representatives negotiated the terms of the merger agreement and credit agreement.

On June 21, 2001, the RiverDelta board of directors held a special meeting at which the board discussed the terms of the proposed merger with representatives of RiverDelta's counsel.

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On July 9, 2001, the RiverDelta board of directors had two special meetings via teleconference. At each of the two meetings, representatives of RiverDelta's counsel and Credit Suisse First Boston discussed the terms and conditions of the merger and the status of the Motorola negotiations. Counsel also answered questions from the board at each of the meetings.

On July 10, 2001, the RiverDelta board of directors again held a special meeting via teleconference with RiverDelta's counsel and Credit Suisse First Boston participating. At that meeting, the RiverDelta board of directors reviewed discussion materials prepared by Credit Suisse First Boston with regard to Motorola's offer and engaged in a detailed discussion of the merits of the proposed transaction to RiverDelta's stockholders, including the reasons set forth under "RiverDelta's Reasons for the Merger" below. Counsel also

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answered questions from the board. Following the discussion, RiverDelta's board authorized management to execute a definitive merger agreement, credit agreement and related agreements.

On July 11, 2001, the merger agreement was executed by Motorola, Bayou Merger Sub, Inc. and RiverDelta. In connection with the execution of the merger agreement, certain stockholders entered into a voting agreement, pursuant to which they agreed, among other things, to vote their shares of RiverDelta stock in favor of the merger. Additionally, RiverDelta and Motorola executed a definitive credit agreement.

Shortly after execution of the merger agreement, Motorola formally solicited the unanimous written consent of the Motorola board of directors to approve the merger agreement and the merger. This approval was obtained during the week ending July 29, 2001.

On July 30, 2001, after the close of trading on the New York Stock Exchange, Motorola issued a press release announcing the proposed merger.

### Motorola's Reasons for the Merger

Motorola is making the acquisition to enhance its current Cable Modem Termination Systems (CMTS) product line. Motorola currently provides a modular CMTS product line that is very well-suited for small to medium headends, with emphasis on advanced VoIP protocols and high-availability capabilities. Right now, Motorola's broadband operator customers deploy CMTSs across their regions and tie them together with additional routers. RiverDelta provides a platform that addresses the needs of large, high-density headends, and more importantly, supports an extensive suite of routing protocols and Wide-Area-Network interfaces. The acquisition of RiverDelta is expected to broaden Motorola's product line coverage across all system sizes and into regional IP network applications.

### RiverDelta's Reasons for the Merger

In reaching its decision to approve the merger agreement and the merger and to recommend approval of the merger agreement by RiverDelta stockholders, the RiverDelta board of directors consulted with its management team and advisors and independently considered the proposed merger agreement and the transactions contemplated by the merger agreement. The following discussion of the factors considered by the RiverDelta board of directors in making its decision is not intended to be exhaustive but includes all material factors considered by the RiverDelta board of directors.

The RiverDelta board of directors considered and reviewed with management the following factors as reasons that the merger will be beneficial to RiverDelta and its stockholders:

- . the belief that the merger would enable RiverDelta to capitalize on Motorola's extensive international and domestic sales, marketing, and distribution expertise and resources, thereby increasing the visibility and accessibility of RiverDelta's products;
- . the belief that the merger would permit RiverDelta to utilize Motorola's research and development resources and complementary hardware and software technology to enable RiverDelta to accelerate its development activities;

- . the strategic fit of combining RiverDelta's broadband services routing

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expertise with that of Motorola's as well as Motorola's extensive product lines in transmission systems and set-top terminals for wired and wireless cable television networks and in high speed data products, such as DOCSIS cable modems, providing RiverDelta's OEM customers an easier design capability for their products and providing RiverDelta's service provider customers a complete broadband solution;

- . the expected qualification of the merger as a reorganization under Section 368(a) of the Internal Revenue Code; and
- . the liquidity that the transaction would provide in light of the consideration being shares of Motorola common stock, which are publicly traded securities on the New York Stock Exchange and are more readily marketable than shares of RiverDelta stock (see "Risk Factors" on page 15 and "The Merger--Resale of Motorola Common Stock" on page 36).

In the course of its deliberations, the RiverDelta board of directors reviewed with RiverDelta management and RiverDelta's legal and financial advisors a number of additional factors that the RiverDelta board of directors deemed relevant to the merger, including, but not limited to:

- . the strategic importance to RiverDelta of the proposed merger;
- . the terms of the merger agreement, including the form and amount of the consideration to be received by the RiverDelta stockholders, the terms and structure of the merger, the size and nature of the escrow and the closing conditions;
- . information concerning RiverDelta's and Motorola's respective businesses, prospects, strategic business plans, financial performance and condition, results of operations, technology positions, management and competitive positions;
- . RiverDelta management's view as to the financial condition, results of operations and business of RiverDelta before and after giving effect to the merger;
- . RiverDelta management's view as to the prospects of RiverDelta's continuing as an independent company;
- . RiverDelta management's view as to RiverDelta's ability to gain access to the necessary capital to meet its strategic business goals in both the near term and the long term as well as the relative costs associated with obtaining the capital;
- . current financial conditions and historical market prices, volatility and trading information with respect to Motorola common stock;
- . RiverDelta management's view as to the effect of the merger on the core business of RiverDelta, including its research and development efforts, potential synergy of Motorola's technologies with RiverDelta's technologies, the breadth of Motorola's product offerings, and sales and marketing infrastructure;
- . the impact of the merger on RiverDelta's strategic marketing partners, employees and customers; and
- . the compatibility of the managements of RiverDelta and Motorola.

During the course of its deliberations concerning the merger, the RiverDelta board of directors also identified and considered a variety of potentially negative factors that could materialize as a result of the merger, including,

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but not limited to:

- . the risk that the potential benefits sought in the merger might not be fully realized;
- . the transaction costs involved in connection with closing the merger;

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- . the possibility that the merger might not be consummated and the effect of the public announcement of the merger on RiverDelta's partners, customers and employees;
- . the risk that, despite the efforts of RiverDelta and Motorola, key personnel might leave RiverDelta;
- . the risks associated with obtaining the necessary approvals required to complete the merger;
- . the effects of the diversion of management resources necessary to respond to due diligence inquiries and the negotiation and consummation of the merger; and
- . the other risks described beginning on page 15 above under "Risk Factors."

The RiverDelta board of directors believed that certain of these risks were unlikely to occur, that RiverDelta could avoid or mitigate others, and that, overall, these risks were outweighed by the potential benefits of the merger.

The foregoing factors are not intended to be an exhaustive list of all factors considered. In view of the variety of factors considered, the RiverDelta board found it impractical to and did not quantify or otherwise assign relative weights to the specific factors discussed above.

### Recommendation of the RiverDelta Board of Directors

After extensive discussion among the members of the board of directors, the RiverDelta board of directors unanimously determined that the terms of the merger agreement and the merger are advisable and fair to, and in the best interests of, RiverDelta and its stockholders and has unanimously approved the merger agreement and the merger. The RiverDelta board of directors unanimously recommends that the stockholders of RiverDelta vote "FOR" adoption of the merger agreement. Some directors of RiverDelta may be deemed to have a conflict of interest in the RiverDelta board of directors' approval of the merger and its recommendation that the RiverDelta stockholders approve the merger. See "The Merger--Interests of RiverDelta Directors and Executive Officers in the Merger" on page 28.

### Accounting Treatment

We anticipate that the merger will be accounted for as a purchase business combination for financial reporting and accounting purposes, under accounting principles generally accepted in the United States of America. Under the purchase method of accounting, the purchase price paid by Motorola for RiverDelta (including direct costs of the merger) will be allocated to the identifiable assets and liabilities of RiverDelta based upon the fair value of RiverDelta's identifiable assets and liabilities as of the effective date of the merger and in-process research and development, with the excess of the purchase price over the fair value of net identifiable assets and in-process research and development being allocated to goodwill. After consummation of the

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merger, the financial condition and results of operations of RiverDelta will be included (but not separately reported) in the consolidated financial condition and results of operations of Motorola.

### Effectiveness of Merger

The merger will become effective upon the filing of a certificate of merger with the Delaware secretary of state, or at such later time as is stated in the certificate of merger. The filing of a certificate of merger will occur as soon as practicable, but no later than the third business day after satisfaction or waiver of the conditions to the completion of the merger described in the merger agreement or another date agreed to by Motorola and RiverDelta.

### Merger Consideration

If RiverDelta's stockholders approve the merger agreement and the merger, then RiverDelta stockholders will, in the aggregate, receive Motorola common stock valued at \$300 million, subject to certain purchase price

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adjustments (including a deduction for indebtedness of RiverDelta, which currently is approximately \$23.5 million but may increase to as much as \$45 million, plus accrued interest thereon), to be apportioned according to the number and class of shares that each RiverDelta stockholder owns.

### Interests of RiverDelta Directors and Executive Officers in the Merger

In considering the recommendation of the RiverDelta board of directors in favor of the merger agreement and the merger, you should be aware that certain directors and executive officers of RiverDelta and their affiliates have interests in the merger that are different from or in addition to, the interests of stockholders of RiverDelta. These interests relate to or arise from, among other things:

- . the continued indemnification of current directors and executive officers of RiverDelta;
- . the existence of subordinated convertible promissory notes held by certain directors and executive officers of RiverDelta and their affiliates;
- . the acceleration of the vesting of stock options and restricted stock held by certain executive officers of RiverDelta pursuant to existing stock option and stock purchase agreements;
- . the retention agreements that certain executive officers of RiverDelta are expected to enter into with Motorola, which will provide for the acceleration of the vesting of unvested stock options and restricted stock in addition to the accelerated vesting provided by the terms of existing stock option and stock purchase agreements, the grant of Motorola stock options and the payment of cash retention bonuses and other consideration; and
- . the employee benefits plans, agreements, programs, policies and arrangements and appropriate employment positions that will be provided to certain employees who continue with RiverDelta following the effective date of the merger.

These interests are described below, to the extent material, and except as described below, those persons have, to the knowledge of RiverDelta, no

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material interest in the merger apart from those of stockholders generally. The RiverDelta board of directors was aware of, and considered the interests of, itself and RiverDelta's executive officers in approving the merger agreement and the merger. You should also read the section entitled "Certain Information Concerning RiverDelta" beginning on page 67.

Indemnification. The merger agreement provides that Motorola will, for a period of three years following the effective date of the merger, fulfill and honor in all respects the obligations of RiverDelta to indemnify each person who is or was a director or officer of RiverDelta pursuant to any indemnification provision contained in RiverDelta's restated certificate of incorporation or by-laws, each as amended and as in effect on the date of the merger agreement.

Ownership and Voting of RiverDelta Stock. As of July 27, 2001, the directors and executive officers of RiverDelta collectively owned directly approximately 17,362,832 shares of RiverDelta common stock, no shares of RiverDelta Series A preferred stock, and 413,565 shares of RiverDelta Series B preferred stock. As of July 27, 2001, directors and officers of RiverDelta and their affiliates may be deemed to have beneficial ownership of approximately 17,362,832 shares of RiverDelta's common stock, 6,622,516 shares of RiverDelta's Series A preferred stock, and 5,085,688 shares of RiverDelta's Series B preferred stock. These officers and directors may be deemed to have beneficial ownership either by themselves or with others. See "Certain Information Concerning RiverDelta--Security Ownership of Directors, Executive Officers and Principal Stockholders of RiverDelta" beginning on page 67. Scott E. Morrissette, who served as a director and executive officer of RiverDelta during the last fiscal year, owns 1,500,000 shares of RiverDelta common stock and 41,356 shares of RiverDelta Series B preferred stock. All of the RiverDelta directors, two of whom are executive officers, and one former director of RiverDelta have agreed to vote the issued and outstanding shares over which they have voting control in favor of the merger agreement and the merger. See also "The RiverDelta Special Meeting--Voting Agreement" beginning on page 21.

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12% Subordinated Convertible Promissory Notes. Certain directors and executive officers of RiverDelta and their affiliates hold 12% Subordinated Convertible Promissory Notes issued by RiverDelta. See "Certain Information Concerning RiverDelta--Security Ownership of Directors, Executive Officers and Principal Stockholders of RiverDelta" beginning on page 67. On July 11, 2001, the subordinated convertible promissory notes were amended to provide that the notes will be converted into shares of Series B preferred stock of RiverDelta immediately prior to the merger. The conversion rate is one share of Series B preferred stock for each \$12.09 of principal and accrued interest. David F. Callan, a director and the President and CEO of RiverDelta, holds subordinated convertible promissory notes in the aggregate principal amount of \$4,700,000. Assuming the merger occurs on September 25, 2001, the aggregate principal amount of Mr. Callan's subordinated convertible promissory notes, plus accrued interest thereon of \$267,071, will convert into approximately 410,841 shares of Series B preferred stock. Bruce I. Sachs, a director of RiverDelta, is also a principal of Charles River Ventures and may be deemed to share beneficial ownership of the shares of Series B preferred stock issuable to certain funds affiliated with Charles River Ventures upon conversion of subordinated convertible promissory notes in the aggregate principal amount of \$5,000,000 held by such funds. Assuming the merger occurs on September 25, 2001, the aggregate principal amount of the subordinated convertible promissory notes held by the funds affiliated with Charles River Ventures, plus accrued interest thereon of \$379,726, will convert into approximately 444,972 shares of Series B preferred stock. Todd Dages, a director of RiverDelta, is also a general partner of Battery Ventures and may be deemed to share beneficial ownership of

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the shares of Series B preferred stock issuable to funds affiliated with Battery Ventures upon conversion of subordinated convertible promissory notes in the aggregate principal amount of \$5,000,000 held by such funds. Assuming the merger occurs on September 25, 2001, the aggregate principal amount of the subordinated convertible promissory notes held by the funds affiliated with Battery Ventures, plus accrued interest thereon of \$379,726, will convert into approximately 444,973 shares of Series B preferred stock. Michael Karfopoulos, a director of RiverDelta, is also a principal of Pequot Capital Management, Inc. and may be deemed to share beneficial ownership of the shares of Series B preferred stock issuable to Pequot Private Equity Fund II, L.P. upon conversion of subordinated convertible promissory notes in the aggregate principal amount of \$10,000,000 held by the fund. Assuming the merger occurs on September 25, 2001, the aggregate principal amount of the subordinated convertible promissory notes held by Pequot Private Equity Fund II, L.P., plus accrued interest thereon of \$759,452, will convert into approximately 889,946 shares of Series B preferred stock. Scott E. Morrissette, who served as a director of RiverDelta during the last fiscal year, holds a subordinated convertible promissory note in the aggregate principal amount of \$300,000. Assuming the merger occurs on September 25, 2001, the aggregate principal amount of Mr. Morrissette's subordinated convertible promissory note, plus accrued interest thereon of \$22,784, will convert into approximately 26,698 shares of Series B preferred stock. If the merger occurs after September 25, 2001, the aggregate amount of accrued interest on the subordinated convertible promissory notes held by certain directors and executive officers of RiverDelta and their affiliates will increase at a rate of approximately \$8,219 per day, thereby increasing the number of shares of Series B preferred stock issuable to the holders of the subordinated convertible promissory notes by approximately 680 shares of Series B preferred for each day after September 25, 2001. See "Certain Information Concerning RiverDelta--Security Ownership of Directors, Executive Officers and Principal Stockholders of RiverDelta" beginning on page 67.

Accelerated Vesting of RiverDelta Stock Options and Accelerated Lapsing of RiverDelta's Repurchase Rights. As a result of the merger, the vesting of unvested stock options and the lapsing of RiverDelta's right to repurchase restricted stock held by certain executive officers of RiverDelta will be accelerated pursuant to the terms of existing stock option and stock purchase agreements. See "Certain Information Concerning RiverDelta--Security Ownership of Directors, Executive Officers and Principal Stockholders of RiverDelta" beginning on page 67.

Retention Agreements. It is expected that certain executive officers of RiverDelta will enter into retention agreements with Motorola and RiverDelta that will provide for the accelerated vesting of unvested RiverDelta stock options they currently hold and accelerated lapsing of RiverDelta's rights to repurchase restricted stock, provided by the terms of existing stock option and stock purchase agreements, the grant of Motorola stock options, the payment of cash retention bonuses and other consideration. These retention agreements are

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currently the subject of negotiation among Motorola, RiverDelta and such executive officers and therefore it is not possible at this time to describe the particular terms thereof. It is anticipated, however, that the retention agreements to be entered into will have the following general terms:

- . the executive officer will receive accelerated vesting of 50% of his unvested stock options and accelerated lapsing of RiverDelta's repurchase right with respect to 50% of the shares of restricted stock held by such officer, in addition to the accelerated vesting and accelerated lapsing provided by the terms of existing stock option and stock purchase agreements;

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- . the executive officer will receive stock options to purchase Motorola common stock following the merger; and
- . the executive officer will receive a cash bonus upon the second anniversary of the completion of the merger equal to such executive officer's base salary multiplied by a factor of two.

It is expected that David F. Callan, a director and the President and Chief Executive Officer of RiverDelta, and Michael Brown, Chief Operating Officer and Vice President of Business Development of RiverDelta, will each enter into a retention agreement with Motorola, the terms of which have yet to be determined. See "Certain Information Concerning RiverDelta--Security Ownership of Directors, Executive Officers and Principal Stockholders of RiverDelta" on page 67.

So that any benefits and compensation which certain executive officers of RiverDelta will receive pursuant to the terms of existing stock options and stock purchase agreements and upon execution of their respective retention agreements will not be deemed "parachute payments", pursuant to section 280G of the United States Internal Revenue Code of 1986, as amended, a vote of more than 75% of the outstanding shares of RiverDelta common stock and RiverDelta Series A and Series B preferred stock immediately prior to the merger on an as converted basis, voting together as a single class, will be required. For purposes of the 75% vote, shares of RiverDelta stock actually or constructively owned by the recipients of the benefits and compensation are disregarded. It is expected that RiverDelta will conduct this vote through a separate information statement once all of the retention agreements with the executive officers and other employees who may be deemed to be receiving parachute payments have been signed. If the requisite stockholder approval is not obtained, the executive officers will not be entitled to receive any such benefits or compensation.

Employee Benefits. For a period of twelve months following the effective date of the merger, employees of RiverDelta who continue their employment will be provided with compensation and benefits (including salary and fringe benefits), employee benefits plans, agreements, programs, policies and arrangements which are no less favorable in the aggregate than those in effect immediately prior to the merger. It is expected that, as part of the retention agreements, effective immediately prior to the merger, RiverDelta will reduce the exercise price of all outstanding stock options with exercise prices greater than \$1.60 per share to equal \$1.60 per share. See "The Merger Agreement--Certain Covenants and Agreements" on page 44.

You should also read the matters described under "Certain Information Concerning RiverDelta" on page 67.

### Material Federal Income Tax Consequences of the RiverDelta Merger

In the opinions of KPMG LLP, tax advisor to Motorola, and Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., tax counsel to RiverDelta, the following is a summary of the material United States federal income tax consequences of the merger to RiverDelta stockholders who exchange their RiverDelta shares for Motorola common stock and, as applicable, cash in lieu of fractional shares of Motorola common stock pursuant to the merger agreement. This discussion addresses only stockholders who hold their RiverDelta shares as a capital asset and does not address all of the United States federal income tax consequences that may be relevant to particular stockholders in light of their individual circumstances or to stockholders who are subject to special rules (including, without limitation, financial institutions, tax-exempt organizations, insurance companies,

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dealers in securities or foreign currencies, foreign holders, persons who hold their RiverDelta shares as a hedge against currency risk, a constructive sale, or conversion transaction, holders who acquired their shares pursuant to the exercise of an employee stock option or otherwise as compensation, or holders whose shares are subject to repurchase rights and/or are subject to a substantial risk of forfeiture). The following summary is not binding on the Internal Revenue Service or a court. It is based upon the Internal Revenue Code, laws, regulations, rulings, and decisions in effect on the date hereof, all of which are subject to change, possibly with retroactive effect. Tax consequences under state, local, and foreign laws are not addressed.

The following discussion is not intended to be a complete analysis or description of all potential United States federal income tax consequences or any other tax consequences of the merger. In addition, the discussion does not address tax consequences which may vary with, or are contingent on, your individual circumstances. RiverDelta stockholders are strongly urged to consult their own tax advisors as to the specific tax consequences to them of the merger, including the applicability and effect of federal, state, local, and foreign income and other tax laws on their particular circumstances.

No ruling has been, or will be, sought from the Internal Revenue Service as to the United States federal income tax consequences of the merger. It is a condition to the consummation of the merger that RiverDelta receive an opinion from its counsel, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. stating that the merger will qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code and that each of Motorola, Bayou Merger Sub, Inc. and RiverDelta will be a party to a reorganization within the meaning of Section 368(b) of the Internal Revenue Code. Motorola is obligated to use its reasonable best efforts to obtain such an opinion from its tax advisor, KPMG LLP. The issuance of such opinions will be conditioned on customary assumptions and representations made by Motorola, Bayou Merger Sub, Inc. and RiverDelta. An opinion of counsel is not binding on the Internal Revenue Service or a court. As a result, neither Motorola nor RiverDelta can assure you that the tax considerations and opinions contained in this discussion will not be challenged by the Internal Revenue Service or sustained by a court if challenged by the Internal Revenue Service.

As a result of the merger qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, RiverDelta stockholders who exchange their RiverDelta shares for Motorola common stock will not recognize gain or loss for United States federal income tax purposes, except with respect to cash, if any, they receive in lieu of fractional shares of Motorola common stock. The aggregate tax basis of a RiverDelta stockholder in the Motorola common stock received in exchange for RiverDelta shares pursuant to the merger will be the same as such holder's aggregate tax basis in the RiverDelta shares surrendered in the merger, decreased by the amount of any tax basis allocable to any fractional share interest for which cash is received. The holding period of the Motorola common stock received in the merger by a RiverDelta stockholder will include the holding period of the RiverDelta shares surrendered in the merger.

RiverDelta stockholders who receive cash in lieu of fractional shares of Motorola common stock in the merger generally will recognize gain or loss equal to the difference between the amount of cash received and their tax basis in RiverDelta shares that is allocable to the fractional shares. The gain or loss generally will be capital gain or loss. In the case of an individual stockholder, capital gain is subject to a maximum tax rate of 20% if the individual held his or her RiverDelta shares for more than 12 months at the effective time of the merger. The deductibility of capital losses is subject to limitations for both individuals and corporations.

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RiverDelta stockholders who exchange RiverDelta shares for Motorola common stock could be treated as receiving the escrowed Motorola common stock at the time of the merger and could be treated as owners of the escrowed shares of Motorola common stock for United States federal income tax purposes. As owners of the escrowed Motorola common stock, the former RiverDelta stockholders would be taxed currently on any dividends paid by Motorola on the escrowed shares of Motorola common stock during the life of the escrow even though no cash will be distributed from the escrow to pay such tax. No federal income tax consequences should then result from the receipt of any shares upon the termination of the escrow. Under the tax characterization of the escrowed shares of Motorola common stock described above, until the final distribution

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of the Motorola common stock from the escrow, the interim basis of the Motorola common stock received by a RiverDelta stockholder will be determined as if such stockholder received the maximum number of shares of Motorola common stock (including the escrowed shares of Motorola common stock) to be issued to such stockholder. Alternatively, the Internal Revenue Service might take the position that the RiverDelta stockholders did not receive the escrowed shares of Motorola common stock at the time of the merger and that the stockholders are not the owners of the escrowed shares of Motorola common stock for United States federal income tax purposes. In that case, a portion of the escrowed shares of Motorola common stock, as well as any dividends paid by Motorola on the escrowed shares of Motorola common stock during the life of the escrow, that the former RiverDelta stockholders receive upon termination of the escrow would be treated as taxed to the RiverDelta stockholders as interest income.

To the extent the former RiverDelta stockholders are treated as owners of the escrowed shares of Motorola common stock for United States federal income tax purposes and shares of escrowed Motorola common stock are used to satisfy a claim, the former RiverDelta stockholders should recognize capital gain or loss. The amount of the gain or loss recognized should equal the difference between the stockholder's basis in the shares of escrowed Motorola common stock used to satisfy the claim and the fair market value of those shares. The value of such returned shares will be added back to the tax basis of the Motorola common stock retained by the stockholder.

If the Internal Revenue Service were to successfully challenge the "reorganization" status of the merger, each RiverDelta stockholder would recognize taxable gain (or loss) with respect to the RiverDelta stock surrendered, measured by the difference between (i) the fair market value, as of the time of the merger, of the Motorola common stock received in the merger, and (ii) the stockholder's tax basis in the RiverDelta stock surrendered therefor in the merger. In such event, a stockholder's aggregate basis in the Motorola common stock so received would equal its fair market value as of the time of the merger and the holding period for such stock would begin the day after the merger.

RiverDelta stockholders will be required to attach a statement to their tax returns for the year of the merger that contains the information listed in Treasury Regulation Section 1.368-3(b). Such statement must include the stockholder's tax basis in the stockholder's RiverDelta stock and a description of the Motorola common stock received therefor. RiverDelta stockholders are urged to consult their tax advisors with respect to this statement and any other tax reporting requirements.

The opinions described above do not apply to stockholders who exercise appraisal rights. A RiverDelta stockholder who exercises appraisal rights with respect to the merger and receives cash for shares of RiverDelta stock will

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generally recognize capital gain (or loss) measured by the difference between the amount of cash received and the stockholder's basis in those shares, provided that the payment is not treated as a dividend pursuant to Section 302 of the Internal Revenue Code or otherwise. A sale of shares based on an exercise of appraisal rights will not be treated as a dividend if the stockholder exercising appraisal rights owns no shares of RiverDelta immediately after the merger, after giving effect to the constructive ownership rules pursuant to the Internal Revenue Code. The capital gain or loss will be long-term capital gain or loss if the holder's holding period for the RiverDelta shares surrendered is more than one year.

A noncorporate RiverDelta stockholder may be subject to backup withholding at a rate of 30.5% on cash payments received in lieu of a fractional share of Motorola common stock or upon the exercise of appraisal rights. Backup withholding will not apply, however, to a stockholder who (1) furnishes a correct taxpayer identification number and certifies that it is not subject to backup withholding on the substitute Form W-9 or successor form included in the letter of transmittal to be delivered to RiverDelta stockholders following the completion of the merger, (2) provides a certification of foreign status on Form W-8BEN or successor form, or (3) is otherwise exempt from backup withholding.

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### Regulatory Matters

Motorola and RiverDelta must make certain filings and take other actions necessary to obtain approvals from U.S. governmental authorities in connection with the merger, including antitrust authorities. Both parties will use reasonable best efforts to make all necessary filings with respect to the merger required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or other applicable law. However, Motorola is not required to agree to any conditions, divestitures or expenditures of money to a third party in exchange for any consent that, in any such case:

- . would have a material adverse effect on RiverDelta; or
- . if any such action relates to Motorola or its subsidiaries, would, if taken by RiverDelta or with respect to a comparable amount of assets, businesses or product lines of RiverDelta, have a material adverse effect on RiverDelta.

The waiting period during which the U.S. antitrust authorities review the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, will expire on September 13, 2001 unless the antitrust authorities grant early termination of the period or extend the period indefinitely by the issuance of a request for additional information. We expect to obtain all other material required governmental approvals and, if all other conditions to the merger are satisfied, complete the merger in the late third or early fourth quarter of 2001. We cannot be certain, however, that Motorola and RiverDelta will obtain all required governmental approvals, or that we will obtain these approvals without conditions that would be detrimental to Motorola or RiverDelta.

### Statutory Appraisal Rights

The Delaware General Corporation Law grants appraisal rights in the merger to the holders of RiverDelta common stock, Series A preferred stock and Series B preferred stock. Under Section 262 of the Delaware General Corporation Law, RiverDelta stockholders may object to the merger and demand in writing that

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RiverDelta pay to them the fair value of their shares of RiverDelta stock. Fair value takes into account all relevant factors but excludes any appreciation or depreciation in anticipation of the applicable merger. Stockholders who elect to exercise appraisal rights must comply with all of the procedures set forth in Section 262 to preserve their appraisal rights. We have attached a copy of Section 262 of the Delaware General Corporation Law (which sets forth the appraisal rights) as Appendix C to this proxy statement/prospectus.

Section 262 sets forth the required procedure a stockholder requesting appraisal must follow. Making sure that you actually perfect your appraisal rights can be complicated. The procedural rules are specific and must be followed completely. Failure to comply with the procedure set forth in Section 262 may cause a termination of your appraisal rights. We are providing you only with a summary of your appraisal rights and the procedure. The following information is qualified in its entirety by the provisions of Section 262, a copy of which is attached as Appendix C to this proxy statement/prospectus. Please review Section 262 carefully for the complete procedure. RiverDelta will not give you any notice other than as described in this proxy statement/prospectus and as required by the Delaware General Corporation Law.

### Appraisal Rights Procedures

If you are a RiverDelta stockholder and you wish to exercise your appraisal rights, you must satisfy the provisions of Section 262 of the Delaware General Corporation Law. Section 262 requires the following:

**You Must Make a Written Demand for Appraisal.** You must deliver a written demand for appraisal to RiverDelta before the vote on the merger agreement and the merger is taken at the special meeting. This written demand for appraisal must be provided to RiverDelta separately from your proxy. In other words, a vote against the RiverDelta merger agreement and the merger will not alone constitute a valid demand for appraisal. Additionally, this written demand must reasonably inform the corporation of your identity and of your intention to demand the appraisal of your shares of RiverDelta stock.

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**You Must Refrain from Voting for Approval of the Merger.** You must not vote for approval of the merger agreement and the merger. If you vote, by proxy or in person, in favor of the merger agreement and the merger, this will terminate your right to appraisal. You can also terminate your right to appraisal if you return a signed proxy and (1) fail to vote against approval of the merger agreement and the merger or (2) fail to note that you are abstaining from voting. Your appraisal rights will be terminated even if you previously filed a written demand for appraisal.

**You Must Continuously Hold Your RiverDelta Shares.** You must continuously hold your shares of RiverDelta stock, from the date you make the demand for appraisal through the effective date of the merger. If you are the record holder of RiverDelta stock on the date the written demand for appraisal is made but thereafter transfer the shares prior to the effective date of the merger, you will lose any right to appraisal in respect of those shares. You should read the paragraphs below for more details on making a demand for appraisal.

A written demand for appraisal of RiverDelta stock is effective only if it is signed by, or for, the stockholder of record who owns such shares at the time the demand is made. The demand must be signed as the stockholder's name appears on his/her/its stock certificate(s). If you are the beneficial owner of RiverDelta stock, but not the stockholder of record, you must have the

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stockholder of record sign a demand for appraisal.

If you own RiverDelta stock in a fiduciary capacity, such as a trustee, guardian or custodian, you must disclose the fact that you are signing the demand for appraisal in that capacity.

If you own RiverDelta stock with more than one person, such as in a joint tenancy or tenancy in common, all of the owners must sign, or have signed for them, the demand for appraisal. An authorized agent, which could include one or more of the joint owners, may sign the demand for appraisal for a stockholder of record; however, the agent must expressly disclose the identity of the stockholder of record and the fact that the agent is signing the demand as that stockholder's agent.

If you are a RiverDelta stockholder who elects to exercise appraisal rights, you should mail or deliver a written demand to:

RiverDelta Networks, Inc.  
3 Highwood Drive East  
Tewksbury, Massachusetts 01876  
Attention: Secretary

It is important that RiverDelta receive all written demands for appraisal before the vote concerning the merger agreement and the merger is taken at the special meeting. As explained above, this written demand should be signed by, or on behalf of, the stockholder of record. The written demand for appraisal should specify the stockholder's name and mailing address, the number of shares of stock owned, and that the stockholder is thereby demanding appraisal of that stockholder's shares.

If you fail to comply with any of these conditions and the merger becomes effective, you will only be entitled to receive the merger consideration provided in the merger agreement.

Written Notice. Within ten days after the effective date of the merger, RiverDelta must give written notice that the merger has become effective to each stockholder who has fully complied with the conditions of Section 262.

Petition with the Chancery Court. Within 120 days after the effective date of the merger, either the surviving corporation or any stockholder who has complied with the conditions of Section 262, may file a petition in the Delaware Court of Chancery. This petition should request that the chancery court determine the value of the shares of stock held by all of the stockholders who are entitled to appraisal rights. If you intend to exercise your rights of appraisal, you should file such a petition in the chancery court. RiverDelta has no intention at this time to file such a petition. Because RiverDelta has no obligation to file such a

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petition, if you do not file such a petition within 120 days after the effective date of the merger, you will lose your rights of appraisal.

Withdrawal of Demand. If you change your mind and decide you no longer want appraisal rights, you may withdraw your demand for appraisal rights at any time within 60 days after the effective date of the merger. You may also withdraw your demand for appraisal rights after 60 days after the effective date of the merger, but only with the written consent of RiverDelta. If you effectively withdraw your demand for appraisal rights, you will receive the merger consideration provided in the merger agreement.

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Request for Appraisal Rights Statement. If you have complied with the conditions of Section 262, you are entitled to receive a statement from RiverDelta. This statement will set forth the number of shares that have demanded appraisal rights, and the number of stockholders who own those shares. In order to receive this statement, you must send a written request to RiverDelta within 120 days after the effective date of the merger. After the merger, RiverDelta has 10 days after receiving a request to mail the statement to you.

Chancery Court Procedures. If you properly file a petition for appraisal in the chancery court and deliver a copy to RiverDelta, RiverDelta will then have 20 days to provide the chancery court with a list of the names and addresses of all stockholders who have demanded appraisal rights and have not reached an agreement with RiverDelta as to the value of their shares. The chancery court will then send notice to all of the stockholders who have demanded appraisal rights. If the chancery court thinks it is appropriate, it has the power to conduct a hearing to determine whether the stockholders have fully complied with Section 262 of the Delaware General Corporation Law and whether they are entitled to appraisal rights under that section. The chancery court may also require you to submit your stock certificates to the Registry in Chancery so that it can note on the certificates that an appraisal proceeding is pending. If you do not follow the chancery court's directions, you may be dismissed from the proceeding.

Appraisal of Shares. After the chancery court determines which stockholders are entitled to appraisal rights, the chancery court will appraise the shares of stock. To determine the fair value of the shares, the chancery court will consider all relevant factors except for any appreciation or depreciation due to the anticipation or accomplishment of the merger. After the chancery court determines the fair value of the shares, it will direct RiverDelta to pay that value to the stockholders who are entitled to appraisal rights. The chancery court can also direct RiverDelta to pay interest, simple or compound, on that value if the chancery court determines that the payment of interest is appropriate. In order to receive the fair value of your shares, you must then surrender your RiverDelta stock certificates to RiverDelta.

The chancery court could determine that the fair value of your shares of RiverDelta stock is more than, the same as, or less than the merger consideration. In other words, if you demand appraisal rights, you could receive less consideration than you would under the merger agreement. You should also be aware that an opinion of an investment banking firm that the merger is fair is not an opinion that the merger consideration is the same as the fair value under Section 262.

Costs and Expenses of Appraisal Proceeding. The costs and expenses of the appraisal proceeding may be assessed against RiverDelta and the stockholders participating in the appraisal proceeding, as the chancery court deems equitable under the circumstances. You can request that the chancery court determine the amount of interest, if any, RiverDelta should pay on the value of stock owned by stockholders entitled to the payment of interest. You may also request that the chancery court allocate the expenses of the appraisal action incurred by any stockholder pro rata against the value of all of the shares entitled to appraisal.

Loss of Stockholder's Rights. If you demand appraisal rights, from and after the effective date of the merger you will not be entitled to:

- . vote your shares of RiverDelta stock, for any purpose, for which you have demanded appraisal rights;

- . receive payment of dividends or any other distribution with respect to such shares, except for dividends or distributions, if any, that are payable to holders of record as of a record date prior to the effective time of the merger; or
- . receive the payment of the consideration provided for in the merger agreement (unless you properly withdraw your demand for appraisal).

If no petition for an appraisal is filed within 120 days after the effective date of the merger, your right to an appraisal will cease. You may withdraw your demand for appraisal and accept the merger consideration by delivering to RiverDelta a written withdrawal of your demand, except that (1) any attempt to withdraw your demand for appraisal made more than 60 days after the effective date of the merger will require the written approval of RiverDelta, and (2) an appraisal proceeding in the chancery court cannot be dismissed unless the chancery court approves such dismissal.

If you fail to comply strictly with the procedures described above you will lose your appraisal rights. Consequently, if you wish to exercise your appraisal rights, we strongly urge you to consult a legal advisor before attempting to exercise your appraisal rights.

If you do not vote in favor of the merger and fail to properly demand appraisal rights, or if for some reason your right to appraisal is withdrawn or lost, your shares will, upon surrender as described above at the effective time of the merger, be converted into the right to receive the applicable merger consideration as described above, subject to the deposit of 10% of the shares of Motorola common stock payable to RiverDelta stockholders into escrow to be used in the event that Motorola is entitled to indemnification under the merger agreement or to the extent that there is a reduction in the purchase price based on a post-closing audit adjustment.

#### Resale of Motorola Common Stock

The issuance of the shares of Motorola common stock to RiverDelta stockholders in the merger will have been registered under the Securities Act of 1933, as amended. Upon issuance, these shares may be traded freely and without restriction by those stockholders not deemed to be "affiliates" of RiverDelta as that term is defined for purposes of Rule 145 under the Securities Act. An "affiliate" of RiverDelta for this purpose is a person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, RiverDelta. Any subsequent transfer by an affiliate of RiverDelta must be one permitted by the resale provisions of Rule 145 promulgated under the Securities Act (or Rule 144 promulgated under the Securities Act, in the case of any persons who become affiliates of Motorola) or as otherwise permitted under the Securities Act. These restrictions are expected to apply to the directors, executive officers and holders of 10% or more of the RiverDelta shares (as well as to certain other related individuals or entities).

This proxy statement/prospectus does not cover resales of Motorola common stock to be received by the stockholders of RiverDelta in the merger, and no person is authorized to make any use of this proxy statement/prospectus in connection with any such resale.

#### Management and Operations of RiverDelta after the Merger

RiverDelta's products and businesses will be integrated into Motorola's Broadband Communications Sector - specifically within Motorola Broadband's

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existing Network Infrastructure Solutions business. The Network Infrastructure Solutions business is part of Motorola Broadband's IP Systems Group. Motorola expects that the members of RiverDelta's management will continue their relationship with the business after the merger.

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### THE MERGER AGREEMENT

The following is a summary, and is qualified in its entirety by, the terms of the merger agreement. The following does not purport to describe all the terms of the merger agreement. The full text of the merger agreement is attached as Appendix A-1 to this proxy statement/prospectus and is incorporated herein by reference (a minor amendment to the merger agreement is attached as Appendix A-2 to this proxy statement/prospectus). We urge you to read the merger agreement in its entirety.

#### The Merger

Following the adoption of the merger agreement and approval of the merger by RiverDelta stockholders and the satisfaction or waiver of the other conditions to the merger, Bayou Merger Sub, Inc., a wholly-owned subsidiary of Motorola, will merge with and into RiverDelta. RiverDelta will survive the merger as a wholly-owned subsidiary of Motorola. If all conditions to the merger are satisfied or waived, the merger will become effective at the time of the filing by the surviving corporation of a duly executed certificate of merger with the Delaware secretary of state or at such other time as may be specified in the certificate of merger or as mutually agreed by the parties.

In addition, at the effective time of the merger:

- . RiverDelta's restated certificate of incorporation will be amended and restated to contain the provisions set forth in the charter of Bayou Merger Sub, Inc., and such amended and restated charter will become the charter of RiverDelta;
- . the by-laws of Bayou Merger Sub, Inc. will become the charter and by-laws of RiverDelta; and
- . the directors and officers of Bayou Merger Sub, Inc. will become the directors and officers of RiverDelta.

#### Merger Consideration

Generally, at the effective time of the merger, the outstanding shares of RiverDelta common and preferred stock will be converted into the right to receive Motorola common stock. Subject to the post-closing adjustment described below, the aggregate merger consideration for the outstanding shares of RiverDelta common and preferred stock will be Motorola common stock valued at \$300 million:

(i) less the amount of RiverDelta's estimated debt as of the earlier of October 15 and the closing date of the merger;

(ii) plus the estimated capital expenditures by RiverDelta between July 11, 2001 and the closing date of the merger (not to exceed \$1 million);

(iii) plus the estimated cash balance of RiverDelta as of the earlier of October 15, 2001 and the closing date of the merger;

(iv) plus the estimated amount owed to RiverDelta by certain of its

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employees pursuant to certain secured loans as of the earlier of October 15, 2001 and the closing date of the merger;

(v) plus the amount of the estimated aggregate exercise price of vested and unvested options to purchase common stock of RiverDelta that have an exercise price less than the value of the consideration to be received in the merger by holders of RiverDelta common stock for each share of common stock;

(vi) plus the amount of expenses incurred by RiverDelta in connection with the retention plan (as defined in the merger agreement) and the integration of RiverDelta and Motorola; and

(vii) less an amount equal to the amount by which RiverDelta's net working capital on April 30, 2001 minus \$1 million exceeds the net working capital reflected on the estimated balance sheet as of the closing date (which will take into account, among other things, fees and expenses incurred by RiverDelta in the merger), or plus the amount by which RiverDelta's net working capital reflected on the estimated balance sheet as of the closing date exceeds the net working capital on April 30, 2001 minus \$1 million.

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The estimated amounts described above will be contained in an estimated balance sheet as of the closing date but delivered by RiverDelta to Motorola at least 5 business days prior to the scheduled closing date.

The valuation of the Motorola common stock for this purpose, and for the purpose of determining the exchange ratio applicable to shares of RiverDelta common and preferred stock, will be made on the basis of the average of the per share closing prices of the Motorola common stock on the New York Stock Exchange over each of the 20 consecutive trading days ending on (and including) the second trading day immediately preceding the date of the closing of the merger.

Assuming the merger closes on September 25, 2001, holders of Series B preferred stock will receive approximately the first \$62.6 million of consideration. If the merger occurs after September 25, 2001, additional shares of Series B preferred stock will be required to be issued to the holders of the subordinated convertible promissory notes in order to convert the additional accrued interest, which accrues at the rate of \$8,219 per day, into Series B preferred stock upon conversion of the notes.

The remaining consideration will be paid to the holders of RiverDelta Series A preferred stock and common stock. Pursuant to the merger agreement, upon the approval of the proposal for the holders of the Series A preferred stock to elect to be deemed to have converted all shares of Series A preferred stock into shares of RiverDelta common stock immediately prior to the effective time of the merger, the holders of Series A preferred stock will receive the same consideration that they would receive if they had converted to common stock.

In addition, as no fractional shares of Motorola common stock will be issued, you will receive cash payments instead of any fractional shares of Motorola common stock that you would have otherwise received.

### Post-Closing Adjustment

The merger agreement provides for post-closing adjustments to the aggregate purchase price paid by Motorola based on variations between the amounts on the estimated balance sheet, dated as of the closing date and delivered by

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RiverDelta to Motorola at least 5 days prior to the closing date, and the closing balance sheet, audited by KPMG LLP and delivered by Motorola to the stockholders' representative within 90 days of the closing date. Both the estimated and the audited closing balance sheets will include cash capital expenditures and the aggregate exercise price of certain options. Pursuant to the post-closing adjustment mechanism, the aggregate purchase price paid by Motorola:

(i) will be reduced by the amount that RiverDelta's indebtedness contained in the audited balance sheet is more than the indebtedness contained in the estimated balance sheet, or increased by the amount that RiverDelta's indebtedness contained in the audited balance sheet is less than the indebtedness contained in the estimated balance sheet;

(ii) will be reduced by the amount that RiverDelta's cash balance contained in the audited balance sheet is less than the cash balance contained in the estimated balance sheet, or increased by the amount that RiverDelta's cash balance contained in the audited balance sheet is more than the cash balance contained in the estimated balance sheet;

(iii) will be reduced by the amount that RiverDelta's net working capital contained in the audited balance sheet is less than the net working capital contained in the estimated balance sheet, or increased by the amount that RiverDelta's net working capital contained in the audited balance sheet is more than the net working capital contained in the closing balance sheet;

(iv) will be reduced by the amount that RiverDelta's cash capital expenditures between July 11, 2001 and the effective time of the merger (not to exceed \$1 million) contained in the audited balance sheet are more than the capital expenditures for that period contained in the estimated balance sheet, or increased by the amount that RiverDelta's cash capital expenditures between July 11, 2001 and the effective time of the merger (not to exceed \$1 million) contained in the estimated balance sheet are less than the capital expenditures for that period contained in the audited balance sheet; and

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(v) will be reduced by the amount that the aggregate exercise price of vested and unvested RiverDelta options assumed by Motorola at an exercise price less than the per share price paid to RiverDelta stockholders pursuant to the merger agreement contained in the audited balance sheet is less than the aggregate exercise price for such options contained in the estimated balance sheet, or increased by the amount that the aggregate exercise price of vested and unvested RiverDelta options assumed by Motorola at an exercise price less than the per share price paid to RiverDelta stockholders pursuant to the merger agreement contained in the audited balance sheet is more than the aggregate exercise price for such options contained in the estimated balance sheet.

The stockholders' representative may dispute any discrepancy in the amount of RiverDelta's cash, indebtedness, cash capital expenditures or aggregate exercise price of options described above. The merger agreement provides for an independent accounting firm to render a final and binding determination of any such dispute.

If the aggregate purchase price paid by Motorola is reduced as a result of the post-closing purchase price adjustments as determined following any such dispute, the number of shares in the escrow account will be reduced by an amount equal to the post-closing adjustment divided by the 20-day average

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closing price of Motorola common stock. If the aggregate purchase price paid by Motorola is increased as a result of the post-closing purchase price adjustments, Motorola will transfer 90% of the additional shares of Motorola common stock to the transfer agent for distribution to holders of RiverDelta Series A preferred stock and common stock, and the remaining 10% of the shares will be deposited with the escrow agent on behalf of holders of RiverDelta Series A preferred stock and common stock.

### Treatment of RiverDelta Stock Generally

At the effective time of the merger, all shares of RiverDelta stock will no longer be outstanding, will automatically be cancelled and will cease to exist. At that time, each holder of a certificate representing shares of RiverDelta stock (other than shares as to which dissenters' rights to appraisal have been perfected) will cease to have any rights as a stockholder except the right to receive Motorola common stock, the right to any dividends or other distributions in accordance with the merger agreement and the right to receive cash for any fractional share of Motorola common stock otherwise issuable in the merger. Holders who exercise and perfect appraisal rights will be paid cash in an amount determined as described in "The Merger--Statutory Appraisal Rights" on page 33, and will not receive a portion of the merger consideration.

Shares of treasury stock held by RiverDelta and shares owned by Motorola or any direct or indirect wholly-owned subsidiary of Motorola or RiverDelta will be cancelled. Former RiverDelta stockholders will receive cash for any fractional shares of Motorola common stock which they would have otherwise received in the merger.

Motorola will adjust the exchange ratio to provide for any reclassification, stock split, stock dividend, reorganization or other similar exchange with respect to Motorola common stock or RiverDelta common or preferred stock occurring before the merger.

Following the merger, former RiverDelta stockholders will own less than 1% of Motorola's outstanding common stock.

The precise number of shares of Motorola common stock that you will be entitled to receive at the effective time of the merger depends on:

- . whether you currently hold shares of RiverDelta common, Series A preferred, or Series B preferred stock;
- . the aggregate merger consideration paid by Motorola pursuant to the merger agreement;

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- . the number of fully diluted shares, which is calculated by reference to:
  - . the number of shares of RiverDelta common stock and Series A preferred stock, on an as converted basis, outstanding immediately prior to the effective time;
  - . the number of shares of common stock issuable immediately prior to the effective time upon exercise of vested and unvested options to purchase RiverDelta common stock at an exercise price per share less than the price per share payable to holders of RiverDelta common stock at the effective time, without giving effect to any option repricing or cancellation as part of the retention agreements to be signed with Motorola or otherwise in connection with the retention plan, as defined in the merger

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agreement;

- . the date of the effective time, as the number of shares of Series B preferred stock issuable upon conversion of RiverDelta's 12% subordinated convertible promissory notes increases by approximately 680 shares each day as the interest thereon continues to accrue; and
- . the average of the per share closing prices on the NYSE of Motorola common stock during the 20 consecutive trading days ending on (and including) the second trading day immediately preceding the closing of the merger.

Some of the factors described above will be calculated immediately prior to (and thus cannot be precisely determined before) the effective date of the merger. The information below describes how the exchange ratio for shares of RiverDelta common and preferred stock will be calculated at the effective time of the merger and provides an approximation of the value of Motorola common stock to which each of your shares of RiverDelta stock will entitle you.

### Treatment of RiverDelta Series B Preferred Stock

The merger agreement provides that at the effective time of the merger, each issued and outstanding share of RiverDelta Series B preferred stock (excluding treasury shares cancelled pursuant to the merger agreement and dissenting shares) will be converted into the right to receive that number of shares of Motorola common stock equal to the quotient of \$12.09 (the liquidation preference of the Series B preferred stock as provided in RiverDelta's restated certificate of incorporation) divided by the 20-day average closing price of Motorola common stock.

### Treatment of RiverDelta Common Stock

The merger agreement provides that at the effective time of the merger, each issued and outstanding share of RiverDelta common stock (excluding treasury shares cancelled pursuant to the merger agreement and dissenting shares) will be converted into the right to receive that number of shares of Motorola common stock equal to (a) (i) the aggregate consideration to be paid by Motorola for RiverDelta stock minus the amounts paid to the holders of Series B preferred stock divided by (ii) the total fully diluted shares of common stock outstanding (this quotient is referred to below as the share price), divided by (b) the 20-day average closing price of Motorola common stock.

### Treatment of RiverDelta Series A Preferred Stock

The merger agreement provides that at the effective time of the merger, each issued and outstanding share of RiverDelta Series A preferred stock (excluding treasury shares cancelled pursuant to the merger agreement and dissenting shares) will be converted into the right to receive that number of shares of Motorola common stock equal to the per share price multiplied by three (the number of shares of RiverDelta common stock that each Series A preferred share is convertible into as provided in RiverDelta's restated certificate of incorporation), divided by the 20-day average closing price of Motorola common stock.

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As the aggregate consideration to be paid by Motorola is subject to adjustment (see "The Merger--Merger Consideration" on page 27), the amount of shares of Motorola common stock that holders of RiverDelta common stock and Series A preferred stock will be entitled to receive may be less than as described above. In particular, there will certainly be an adjustment for

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indebtedness of RiverDelta, which is currently approximately \$23.5 million but may increase to as much as \$45 million, plus accrued interest thereon. The following table illustrates how the adjustment in the aggregate merger consideration to be paid by Motorola would affect the amount of Motorola common stock that holders of RiverDelta common stock and Series A preferred stock would be entitled to receive. The table assumes that the effective time is September 25, 2001, that the aggregate liquidation preference of the Series B preferred stock is \$62.6 million and that there are 58,075,541 fully diluted shares (calculated as described in "The Merger Agreement--Treatment of RiverDelta Stock Generally" on page 39).

Aggregate Merger Consideration, after adjustment at closing	\$ Amount of Motorola common stock holders of RiverDelta common stock would be entitled to receive (per share)	\$ Amount of Motorola common stock holders of RiverDelta Series A preferred stock would be entitled to receive (per share)	\$ Amount of Motorola common stock holders of RiverDelta Series B preferred stock would be entitled to receive (per share)
\$280,000,000	\$3.74	\$11.22	\$12.09
\$270,000,000	\$3.57	\$10.71	\$12.09
\$260,000,000	\$3.40	\$10.20	\$12.09
\$250,000,000	\$3.23	\$ 9.69	\$12.09

Note: These are examples only. The aggregate merger consideration, after adjustment, may be different from the amounts set forth in the table.

### Treatment of RiverDelta Stock Options and Restricted Shares

The merger agreement provides that all options outstanding at the effective time of the merger, whether or not exercisable or vested, under RiverDelta's 1999 employee, director and consultant stock option plan or under any other stock option plans or agreements to which RiverDelta is a party will remain outstanding following the effective time of merger. The merger agreement also provides that at the effective time of the merger, Motorola and RiverDelta will take all actions necessary to enable Motorola to assume each such option. The merger agreement also provides that Motorola will assume RiverDelta's option plan. Each option assumed by Motorola will be exercisable upon the same terms and conditions as under the applicable stock option plan (and applicable stock option agreement) of RiverDelta. The number of shares of Motorola common stock rounded down to the nearest whole share to be subject to each RiverDelta stock option assumed by Motorola will be equal to the number of shares of RiverDelta common stock subject to the RiverDelta stock option immediately prior to the merger multiplied by the exchange ratio applicable to RiverDelta's common stock. Additionally, the exercise price per share of Motorola common stock issuable under each RiverDelta stock option will equal the per share exercise price of the RiverDelta common stock specified under the RiverDelta option divided by the exchange ratio applicable to RiverDelta's common stock. The exercise price per share of Motorola common stock will be rounded up to the nearest whole cent. Options described above will be subject to any adjustments provided for in any retention agreement between the holder of such option and Motorola. All shares of common stock acquired upon the exercise of a RiverDelta option assumed by Motorola and/or that may be repurchased by RiverDelta will be converted into Motorola common stock in the same manner as RiverDelta common stock (described above) subject to the same repurchase rights (unless otherwise agreed by the holder and Motorola). Motorola will also adjust this exchange ratio to provide for any reclassification, stock split, stock dividend, reorganization or other similar exchange with respect to Motorola or RiverDelta common stock occurring before the merger. Except as provided in the retention

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agreement (as defined in the merger agreement), Motorola intends that its assumption of the options that are "incentive stock options" as defined in Section 422 of the Internal Revenue Code will be effected in a manner to preserve the benefits of such "incentive stock options".

The merger agreement provides that no later than fifteen days following the effective time of the merger, Motorola will prepare and file with the SEC a registration statement on Form S-8 registering the shares of

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Motorola common stock subject to the assumed RiverDelta stock options. That registration statement will be kept effective (and the current status of the prospectus required by that registration statement will be maintained in accordance with the relevant requirements of the Securities Act and the Exchange Act) at least for so long as any assumed RiverDelta stock options remain outstanding.

Notwithstanding the provisions of the merger agreement providing for the assumption of the RiverDelta options by Motorola, it is currently expected that the holders of RiverDelta options will enter into retention agreements with Motorola pursuant to which, among other things, the RiverDelta options then held by such holders of RiverDelta options will be converted into Motorola options.

### Fractional Shares

Motorola will not issue any fractional shares in the merger. In lieu of any fractional shares of Motorola common stock, each RiverDelta stockholder who would otherwise have been entitled to a fraction of a share of Motorola common stock pursuant to the merger agreement will be paid an amount in cash, without interest, equal to such holder's proportionate interest in the net proceeds from the sale or sales in the open market of the aggregate fractional shares of Motorola common stock, if any, that would have been issued in the merger. ComputerShare Investor Services LLC, as Motorola's exchange agent, will sell such aggregate fractional shares at the then prevailing prices on the New York Stock Exchange. These sales will be executed through one or more member firms of the New York Stock Exchange and will be executed in round lots to the extent practicable. Motorola will pay all commissions, transfer taxes and other out-of-pocket transaction costs of Motorola's exchange agent, including the expenses and compensation of Motorola's exchange agent, incurred in connection with the sale of fractional shares.

### Exchange of Certificates

Within five business days after the merger, ComputerShare Investor Services LLC, Motorola's exchange agent, will mail to each holder of record of certificates that immediately prior to the merger represented outstanding RiverDelta shares of capital stock both a letter of transmittal and instructions for surrendering their RiverDelta stock certificates. The letter of transmittal and instructions are for use by each holder of record in surrendering RiverDelta stock certificates in exchange for certificates representing that number of shares of Motorola common stock, reduced by the number of shares that will be delivered as part of the escrow fund, and cash for any fractional shares thereof to which such holder would otherwise be entitled. We request that you not surrender your RiverDelta stock certificates for exchange until you receive the letter of transmittal and instructions. At and after the merger and until so surrendered, the RiverDelta stock certificates will represent only the right to receive the consideration described above. No dividends or other distributions declared or made after the merger with respect to Motorola common stock will be paid to the holder of

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record of any unsurrendered RiverDelta stock certificates. However, following surrender of any such RiverDelta stock certificates (subject to the effect of escheat, tax or any other applicable laws), the holder of record will be paid, without interest, with respect to each whole share of Motorola common stock which such person is entitled to receive in the merger, (1) the amount of any cash payable with respect to a fractional share of Motorola common stock to which such holder is entitled and the amount of any dividends or other distributions with a record date after the merger but a payment prior to surrender of such RiverDelta stock certificates and (2) at the appropriate payment date, the amount of dividends or distributions with a record date after the merger but prior to surrender of such RiverDelta stock certificates and a payment after the surrender of such RiverDelta stock certificates. No transfers of RiverDelta shares shall be made after the merger.

If any RiverDelta stock certificate is lost, stolen or destroyed, a RiverDelta stockholder must provide an appropriate affidavit of that fact. Motorola may require a RiverDelta stockholder to deliver a bond in a reasonable amount as indemnity against any claim that may be made against Motorola with respect to any lost, stolen or destroyed certificate.

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### Listing of Motorola Common Stock

Motorola has agreed to promptly prepare and submit to the New York Stock Exchange a listing application covering the shares of Motorola common stock to be issued in the merger or issuable upon the exercise of assumed options and to use reasonable best efforts to cause such shares to be approved for listing on such exchange, subject to official notice of issuance, prior to the effective time of the merger. Approval for listing on the New York Stock Exchange of the Motorola common stock issuable to the RiverDelta stockholders in the merger, subject only to official notice of issuance, is a condition to the obligations of RiverDelta to complete the merger. See "The Merger Agreement--Conditions to the Merger" on page 47.

### Representations and Warranties of RiverDelta

The merger agreement includes customary representations and warranties by RiverDelta to Motorola, including representations and warranties as to:

- . corporate organization, qualification standing and power;
- . subsidiaries;
- . compliance with its charter and by-laws;
- . capitalization;
- . power and authority of RiverDelta to execute and deliver the merger agreement and to perform its obligations under, and to complete the transactions contemplated by, the merger agreement;
- . no conflict with its charter or by-laws, laws and orders and required consents and authorizations of governmental entities and third parties;
- . possession and validity of necessary government permits and compliance with applicable laws;
- . RiverDelta's financial statements;
- . the absence of certain changes in RiverDelta's business since April 31,

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2001;

- . real property matters;
- . personal property matters;
- . RiverDelta's employee benefit plans and labor matters;
- . contracts, leases, agreements or understandings of RiverDelta;
- . customers;
- . pending or threatened litigation;
- . insurance matters;
- . environmental, health and safety matters;
- . intellectual property matters;
- . taxes;
- . the required vote of RiverDelta stockholders;
- . brokers, finders or investment bankers employed by RiverDelta;
- . software products; and
- . related party transactions.

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### Representations and Warranties of Motorola and Bayou Merger Sub, Inc.

The merger agreement also contains customary representations and warranties by Motorola to RiverDelta, including representations and warranties as to:

- . corporate organization, standing and power of Motorola and Bayou Merger Sub, Inc.;
- . compliance with the charter and by-laws of Motorola and Bayou Merger Sub, Inc.;
- . capitalization of Motorola;
- . power and authority of Motorola and Bayou Merger Sub, Inc. to execute and deliver the merger agreement and to perform its obligations under, and to complete the transactions contemplated by, the merger agreement;
- . authorization and validity of the shares of Motorola common stock to be issued pursuant to the merger agreement;
- . no conflict with Motorola and Bayou Merger Sub, Inc. organization documents, laws and orders and required consents and authorizations of governmental entities and third parties;
- . Motorola's financial statements and reports filed with the SEC;
- . brokers, finders or investment bankers employed by Motorola; and

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- . New York Stock Exchange requirements.

### Certain Covenants and Agreements

Conduct of Business of RiverDelta Pending the Merger. RiverDelta has agreed that, except in certain well defined and limited circumstances or as otherwise consented to by Motorola, RiverDelta will conduct its business in the ordinary course consistent with past practice and use its reasonable best efforts to keep available the services of its current officers, consultants and employees and preserve its and its subsidiary's current relationships with customers, suppliers and others having significant business relations as is reasonably necessary in order to preserve substantially intact its business organization. RiverDelta has also agreed to apply a portion of the proceeds of its initial drawing under its credit agreement with Motorola to repay a portion of the amounts owed to various vendors. RiverDelta has also agreed with Motorola that prior to the effective time of the merger it will not, in general terms, do any of the following without Motorola's consent:

- . amend or change its restated certificate of incorporation or by-laws (other than the amendment being voted on by RiverDelta stockholders at the special meeting);
- . sell or issue new securities or borrow against its stock, other than the issuance of RiverDelta common stock upon the exercise of existing options or warrants or the issuance of Series B preferred stock pursuant to the bridge holders agreement;
- . sell, lease or license any material property or assets, or pledge them as security;
- . pay dividends or other distributions on, split, repurchase or redeem its stock other than the repurchase of shares of capital stock of employees or consultants upon termination of their employment pursuant to agreements in effect as of the date of the merger agreement for a purchase price not to exceed \$100,000 per employee or consultant;
- . engage in any business combination or acquire any interest in a business;
- . borrow money, guaranty an obligation or make a loan or advance or enter into any capital lease with an aggregate capitalized value of \$25,000;
- . enter into any contract or agreement, lease or license involving more than \$250,000 or terminate, cancel or agree to any material change in, a material contract, except in the ordinary course of business consistent with past practice;

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- . except as may be required by certain contractual commitments or corporate policies of RiverDelta with respect to severance or termination pay;
- increase the compensation payable or to become payable to its officers or employees;
- grant any rights to severance or termination pay to, or enter into any employment or severance agreement with, any of its directors, officers or other employees;
- hire any employees or establish, adopt, enter into or amend any collective bargaining agreement or employee benefit arrangement;

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- . make any pledge to make any charitable or other capital contribution outside the ordinary course of business;
- . materially change its accounting policies other than as required by GAAP or a governmental entity;
- . make any material tax election or settle or compromise any material federal, state, local or foreign income tax liability;
- . waive, release, assign, settle or compromise any material claims, or any material litigation or arbitration except where such release or settlement involves a payment of damages in an amount less than \$50,000 individually or \$250,000 in the aggregate;
- . delay or postpone payment of accounts payable and/or other liabilities (unless Motorola refuses to extend a loan pursuant to the credit agreement);
- . grant any license with respect to its or its subsidiary's intellectual property (except for non-exclusive use licenses granted in the ordinary course of business), develop any intellectual property jointly with any third party or disclose any confidential information except in the ordinary course of business subject to past practice;
- . amend or change the terms of any options or restricted stock, or reprice options granted under any of its stock option plans or authorize cash payments in exchange for any options granted under such plans;
- . authorize any capital expenditures in excess of \$1,000,000 in the aggregate; or
- . authorize or enter into any agreement or otherwise make any commitment to do any of the foregoing.

No Solicitation. The merger agreement provides that RiverDelta will not, directly or indirectly, and will not authorize or permit any of its representatives or affiliates to solicit, initiate or knowingly encourage, or take any other action knowingly to facilitate any inquiries or the making of any proposal or offer that constitutes or may reasonably be expected to lead to any competing transaction (defined below), or enter into or maintain or continue discussions or negotiate with any person or entity in furtherance of such inquiries. RiverDelta will promptly notify Motorola if any proposal or offer, or any inquiry or contact with any person regarding a competing transaction is made. RiverDelta shall immediately cease all existing discussions or negotiations with any parties conducted heretofore with respect to a competing transaction. RiverDelta agrees not to release any third party from, or waive any provision of, any confidentiality or standstill agreement to which it is a party. A "competing transaction" is any of the following involving RiverDelta (other than the merger and the other transactions contemplated by the merger agreement):

- . a merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or other similar transaction;
- . any sale, lease, exchange, transfer or other disposition of 20% or more of the assets of RiverDelta and its subsidiaries; or
- . an acquisition of 20% or more of the outstanding voting securities of the RiverDelta.

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Employee Benefits Matters. For a period of twelve months following the effective time of the merger, employees of RiverDelta who continue their employment after such time (including those on vacation, leave of absence, or short-term disability who return to active employment within six months after the merger) will be provided with compensation, benefits (including salary and fringe benefits) and employee benefits plans, agreements, programs, policies and arrangements, on no less favorable terms, in the aggregate, than what was provided immediately preceding the closing of the merger and with appropriate employment positions taking into consideration their respective prior experience and the best interests of RiverDelta following the merger. RiverDelta will, subject to certain exceptions, recognize such employee's service with RiverDelta prior to the merger as service with RiverDelta after the merger for eligibility and vesting purposes, but not for purposes of calculating most benefits. Motorola may terminate RiverDelta's 401(k) plan if Motorola determines that a merger of RiverDelta's 401(k) plan with Motorola's 401(k) plan will require Motorola to amend its 401(k) plan. Upon termination of RiverDelta's 401(k) plan, Motorola will take necessary action to obtain any necessary or advisable governmental approvals, and provide for the transfer of electing participants' account balances under RiverDelta's 401(k) plan to Motorola's 401(k) plan.

Proxy Statement and Registration Statement. Motorola and RiverDelta have agreed to prepare, file and mail a proxy statement relating to the RiverDelta special meeting of stockholders which will include the recommendation of the RiverDelta board of directors to its stockholders to vote in favor of the merger agreement and the merger.

Stockholders' Meeting. RiverDelta has agreed to call and hold a meeting of its stockholders for the purpose of voting upon the approval of the merger as promptly as practicable after the Motorola registration statement of which this proxy statement/prospectus is a part becomes effective.

Indemnification. For three years after the effective date of the merger, Motorola will indemnify each present or former director or officer of RiverDelta pursuant to RiverDelta's restated certificate of incorporation and by-laws as in effect on the date of the merger agreement.

Registration Statement on Form S-8. Motorola will file a registration statement on Form S-8 for the shares of Motorola common stock issuable with respect to RiverDelta options assumed by Motorola in connection with the merger no later than 15 days after the effective time.

Further Action; Consents and Filings. The merger agreement provides that RiverDelta and Motorola will use their reasonable best efforts to:

- . take, or cause to be taken, all appropriate action and do, or cause to be done, all things necessary, proper or advisable under applicable law or otherwise to complete the transactions contemplated by the merger agreement;
- . obtain any consents, licenses, approvals or other items from any governmental entities or third parties that are required to be obtained in connection with the merger agreement and the completion of the transactions contemplated by the merger agreement;
- . make all necessary filings with respect to the merger agreement and the merger required under applicable law; and
- . provide all required notices to third parties.

The merger agreement also provides that Motorola and RiverDelta will file as

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soon as practicable notifications under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and will respond as promptly as practicable to all inquiries or requests received from the Federal Trade Commission or the Antitrust Division of the Department of Justice for additional information and to all inquiries and requests received from any State Attorney General or other governmental authority in connection with antitrust matters. RiverDelta and Motorola have also agreed to cooperate in connection with the making of all such filings or responses.

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Regardless of the agreements described above, Motorola is not obligated under the merger agreement to agree to the imposition of conditions, the requirement of divestiture, or the requirement of expenditure of money by Motorola to a third party in exchange for any such consent that, in any case, would be materially adverse to Motorola, RiverDelta and their subsidiaries, taken as a whole.

Public Announcements. Motorola and RiverDelta have agreed to use their reasonable best efforts to consult with each other before issuing any press release or otherwise making any public statements regarding the merger agreement.

Plan of Reorganization. Each of Motorola, Bayou Merger Sub, Inc. and RiverDelta has agreed to use its reasonable best efforts to cause the merger to qualify, and will not knowingly take any action or cause any action to be taken that could reasonably be expected to prevent the merger from qualifying, as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code. After the effective time of the merger, Motorola, the surviving corporation in the merger and their affiliates will not knowingly take any action or knowingly cause any action to be taken that could reasonably be expected to cause the merger to fail to qualify as a reorganization under Section 368(a) of the Internal Revenue Code. RiverDelta, Motorola and Bayou Merger Sub, Inc. will deliver to Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. and KPMG LLP, on or about the closing date of the merger, certain certificates substantially in compliance with IRS published advance ruling guidelines. Motorola will use reasonable best efforts to cause KPMG LLP to render an opinion to the effect that the merger will qualify as a reorganization under Section 368(a) of the Internal Revenue Code and that each party to the merger will be a party to such reorganization.

Conduct of Business of Motorola Pending the Merger. Motorola has agreed to cause Bayou Merger Sub, Inc. to perform its obligations under the merger agreement (unless required by applicable laws or New York Stock Exchange regulations) to take, between the date of the merger agreement and the effective time of the merger, directly or indirectly any action, without the consent of RiverDelta, that is intended or could reasonably be expected to result in any of the conditions to the merger not being satisfied.

Motorola Board Approval. In the merger agreement, Motorola agreed to present the merger agreement to its board of directors for its approval prior to July 31, 2001.

The Motorola board of directors approved the merger agreement the week ending July 29, 2001.

Restrictive Legend. Following the effective time of the merger, upon notice from a holder of shares of Motorola common stock issued in connection with the merger, or an agent of such stockholder, of a proposed transfer or request to remove a restrictive legend, Motorola must use reasonable efforts to provide a legal opinion regarding such transfer within two business days of Motorola's

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receipt of the request.

Affiliate Letters. RiverDelta has agreed to use its reasonable best efforts to cause the affiliate letter attached as Appendix F to be executed by each of its affiliates and delivered to Motorola.

### Conditions to the Merger

Neither Motorola nor RiverDelta will be obligated to complete the merger unless certain conditions are satisfied or are waived, including the following:

- . the registration statement on Form S-4, of which this proxy statement/prospectus forms a part, must become effective under the Securities Act of 1933 and must not be the subject of any stop order or proceedings seeking a stop order;
- . approval of the merger agreement and the merger by the requisite vote of the RiverDelta stockholders;
- . no order, writ, judgment, injunction, award, decree, stipulation or determination entered by any government body may be in effect for either party that prevents or prohibits the merger; and
- . the waiting period under applicable federal antitrust laws and any extension must have expired or been terminated.

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### Conditions to the Obligations of Motorola and Bayou Merger Sub, Inc.

Neither Motorola nor Bayou Merger Sub, Inc. is obligated to complete the merger unless the following additional conditions are satisfied by RiverDelta or waived by Motorola:

- . RiverDelta's representations and warranties must remain true and correct in all material respects on the closing date of the merger (unless inaccuracies do not have a material adverse effect on RiverDelta's business, and RiverDelta must have delivered an officer's certificate to such effect);
- . RiverDelta must have performed in all material respects all of its obligations and covenants required to be performed prior to the effective time of the merger and must have delivered a certificate to such effect signed by its chief executive officer; and
- . no event or change that is or is reasonably expected to be materially adverse to the business, operations, assets or liabilities, or results of operations of RiverDelta and its subsidiary (other than changes that result from economic factors affecting the economy as a whole or changes that are the result of factors generally affecting the industries in which Motorola and RiverDelta operate) and losses of customers, suppliers, or distribution channel partners (as defined in the merger agreement resulting from the announcement of the merger) must have occurred;
- . appraisal rights under Delaware law must not have been perfected, asserted or demanded with respect to more than 5% of the aggregate number of shares of RiverDelta stock on a fully converted basis;
- . RiverDelta must have received a payoff letter in form and substance reasonably acceptable to Motorola in connection with the Loan and

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Security Agreement between Silicon Valley Bank and RiverDelta dated as of June 30, 2000 and amended as of November 29, 2000 and as of May 31, 2001;

- . the stockholders' representative must have executed and delivered the escrow agreement; and
- . at the effective time of the merger, certain of RiverDelta's employees must continue to be employed by RiverDelta, must have entered into a retention agreement (as defined in the merger agreement), and must not be in breach of the retention agreement.

### Conditions to the Obligations of RiverDelta

RiverDelta is not obligated to complete the merger unless the following additional conditions are satisfied by Motorola or waived by RiverDelta:

- . the representations and warranties of Motorola and Bayou Merger Sub, Inc. must remain true and correct in all material respects on the closing date of the merger (unless inaccuracies do not have a material adverse effect on Motorola's business, and Motorola must have delivered an officer's certificate to such effect);
- . Motorola and Bayou Merger Sub, Inc. must have performed in all material respects all of their obligations and covenants required to be performed prior to the effective time of the merger, and Motorola must have delivered an officer's certificate to such effect;
- . RiverDelta must have received the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., based upon representations of Motorola, Bayou Merger Sub, Inc. and RiverDelta, and customary assumptions, that the merger will qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code, and that each will be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code;
- . the escrow agreement must have been executed by all the parties thereto; and
- . all shares of Motorola common stock issuable in the merger or upon the exercise of assumed options to the stockholders of RiverDelta shall have been approved for listing on the NYSE.

Each of the foregoing conditions is waivable by Motorola or RiverDelta, as the case may be, to the extent legally permissible.

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### Termination

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after approval of the merger agreement and the merger by the RiverDelta stockholders, in any of the following ways, including by mutual written consent of Motorola and RiverDelta:

by either RiverDelta or Motorola if:

- . the merger does not occur before October 31, 2001. However, either party may extend such date until November 30, 2001 if the failure to consummate the merger resulted from the failure of the conditions to the obligations of each party (see "The Merger Agreement--Conditions to the Obligations of Motorola and Bayou Merger Sub, Inc." on page 48 and "The Merger

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Agreement--Conditions to the Obligations of RiverDelta" on page 48), excluding achievement of the requisite vote of the stockholders of RiverDelta, to be satisfied. In the event any party is in material breach of its obligations under the merger agreement and such material breach has resulted in failure of the merger to occur, such party will not be able to terminate the merger agreement until December 31, 2001; or

- . there is any governmental order that is final and nonappealable making the merger illegal;

by Motorola if:

- . there has been a breach or failure to perform by RiverDelta of any of its representations, warranties, covenants or agreements contained in the merger agreement, or if any of its representations or warranties becomes untrue and such breach has not been cured within 20 business days following receipt by RiverDelta of written notice of its breach;

by RiverDelta if:

- . there has been a breach or failure to perform by Motorola of any of its representations, warranties, covenants or agreements contained in the merger agreement, or if any of its representations or warranties becomes untrue and such breach has not been cured within 20 business days following receipt by Motorola of written notice of its breach; or
- . the transactions contemplated by the merger agreement are not approved by Motorola's board of directors prior to July 31, 2001 or if Motorola's board of directors rejects a proposal to approve the merger agreement.

### Effect of Termination

The merger agreement provides that no termination of the merger agreement will release any party of any liabilities for any breaches of any of its representations, warranties, covenants or agreements set forth in the merger agreement.

### Fees and Expenses

Whether or not the merger is completed, each party to the merger agreement will pay its own fees, costs and expenses. However, at the closing of the merger, RiverDelta will deliver to Motorola a certificate that sets forth the amount of all fees and expenses incurred by RiverDelta for the retention of advisors in connection with the transactions contemplated by the merger agreement. Motorola will pay such amount by means of wire transfer of funds at the closing of the merger. These expenses will be deemed to be current liabilities (without duplication of such expenses already on any balance sheet) in the calculation of the net working capital as described in the merger agreement.

### Amendment

The merger agreement may not be amended except by an instrument in writing signed by Motorola, RiverDelta and Bayou Merger Sub, Inc. or by a waiver as described below.

### Waiver

Any party to the merger agreement may:

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- . extend the time for the performance of any obligation or other act of any other party to the merger agreement;
- . waive any inaccuracy in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger agreement; and
- . waive compliance with any agreement or condition contained in the merger agreement.

Any such extension or waiver will be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of the merger agreement.

### Voting Agreement

On July 11, 2001, in connection with the merger agreement, Pequot Private Equity Fund II, L.P., Battery Ventures V, L.P., Battery Investment Partners V, LLC, Battery Ventures Convergence Fund, L.P., Charles River Partnership X, a Limited Partnership, Charles River Partnership X-A, a Limited Partnership, Charles River Friends X-B, LLC, Charles River Friends X-C, LLC, David Callan, Scott E. Morrissey, Michael Brown, Bayou Merger Sub, Inc. and Motorola entered into a voting agreement pursuant to which the RiverDelta stockholders parties to the voting agreement agreed to vote all of the shares that they will beneficially own at the record date of the special meeting of RiverDelta stockholders for the approval and adoption of the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the appointment of Todd Dagues as stockholders' representative under the merger agreement. The signatories who are holders of the Series A preferred stock also agreed to vote in favor of the deemed conversion of the Series A preferred stock immediately prior to the merger. As of the date of the voting agreement, the RiverDelta stockholders that entered into the voting agreement represented that they collectively held approximately 14,630,853 shares of RiverDelta common stock, 6,622,516 shares of RiverDelta Series A preferred stock, and 2,936,311 shares of RiverDelta Series B preferred stock, representing approximately 64.2% of the RiverDelta common and Series A and Series B preferred stock on an as converted basis, voting together as a single class, and approximately 90% of the outstanding RiverDelta Series A preferred stock, voting as a separate class.

In the voting agreement, a copy of which is attached as Appendix B to this proxy statement/prospectus, such RiverDelta stockholders agreed to use reasonable best efforts to cooperate fully with Motorola and RiverDelta in connection with implementing the voting agreement. The stockholders also agreed not to initiate, solicit or facilitate any discussions, inquiries or proposals with any third party that constitute or may reasonably be expected to lead to an acquisition of RiverDelta.

The voting agreement also provides that each stockholder that is a party to it will not, and will not agree to, contract to or sell or otherwise transfer or dispose of any of his, her or its shares of RiverDelta stock, or any interest in those shares, or convertible securities, or any shares obtained upon the exercise of convertible securities, or any other securities convertible into or exchangeable for RiverDelta common stock or any voting rights with respect thereto, other than:

- . pursuant to the merger; or
- . pursuant to certain limited agreements scheduled in the voting agreement.

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The voting agreement is intended to bind each stockholder that is a party to it only with respect to the specific matters set forth in the voting agreement, and shall not prohibit such stockholders from acting in accordance with their fiduciary duties as officers and/or directors of RiverDelta.

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The voting agreement terminates upon the earlier of:

- . the termination of the merger agreement; and
- . the effective time of the merger.

### Appointment of Stockholders' Representative

Pursuant to the terms of the merger agreement, each holder of shares of RiverDelta who votes in favor of the merger or who receives or accepts shares of Motorola common stock as the merger consideration will be deemed to have appointed Todd Dagues as stockholders' representative and will be deemed to have consented to the performance by the stockholders' representative of all rights and obligations conferred on the stockholders' representative under the merger agreement and the escrow agreement. The stockholders' representative is not liable to the RiverDelta stockholders with respect to any action or inaction taken or suffered by him, in the absence of willful misconduct or gross negligence on the part of the stockholders' representative. For more information on the escrow agreement, see "The Merger Agreement--Indemnification of Motorola; Escrow Agreement" on page 51.

### Indemnification of Motorola; Escrow Agreement

The merger agreement provides that 10% of the shares of Motorola common stock that would otherwise be issued to RiverDelta stockholders in connection with the merger will be deposited in escrow with an escrow agent as soon as practicable after the closing date of the merger. The escrow account is the only source available to compensate Motorola for the indemnification obligations of each RiverDelta stockholder under the merger agreement, except that each stockholder is also personally liable up to the amount of the merger consideration with respect to representations relating to the capitalization of RiverDelta and the stockholders' title to shares.

The RiverDelta stockholders have agreed to indemnify Motorola and its directors, officers, employees, agents and advisors, from and against any and all damages and liabilities (including reasonable legal fees) arising out of:

- . any breach in any representation or warranty made by RiverDelta in the merger agreement or in any certificate delivered pursuant to the merger agreement;
- . any breach or default by RiverDelta of any of the covenants or agreements given or made by it in the merger agreement or in any certificate delivered pursuant to the merger agreement; or
- . certain other matters described in the disclosure schedule to the merger agreement.

With respect to claims for indemnification, Motorola may not seek indemnification from the RiverDelta stockholders until the aggregate amount of all damages for which Motorola is seeking indemnification is at least \$350,000, and the RiverDelta stockholders are then liable for the amount of any such damages in excess of \$250,000.

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Upon written notice to the stockholders' representative in accordance with the instructions of the letter of transmittal sent to RiverDelta after the effective date of the merger, any RiverDelta stockholder may elect to substitute for some or all of the escrowed shares, cash in an amount equal to the share price paid to holders of RiverDelta common stock, as described on page 40 under the heading "The Merger Agreement--Treatment of RiverDelta Common Stock", for each escrowed share being substituted. Moreover, if the stockholders' representative receives notice of a claim made against the stockholders for indemnification, the RiverDelta stockholders may elect to substitute cash for an amount of escrowed shares of Motorola common stock equal to such claim. In this case, the cash substituted for each escrowed share shall be an amount equal to the average closing price of the Motorola common stock on the New York Stock Exchange during the five business days ending on the last business day prior to the distribution of the escrowed shares.

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All property held in escrow is available to be applied to claims by Motorola for indemnification. In the event that any escrowed shares are removed from escrow and transferred to Motorola to satisfy any indemnification claims, such shares will be valued for such purpose at their fair market value based on trading prices on the five days prior to the date the claim is paid. Therefore, in the event that some stockholders elect to substitute cash for escrowed shares while others do not, stockholders that substitute cash are at risk that the escrowed shares may decline in value and that, in the event of substantial indemnity payments, the value of the escrowed shares will be exhausted prior to the escrowed cash. This would result in any additional claims being satisfied solely from the remaining cash substituted by shareholders that chose to do so.

The escrow fund will terminate on the eighteenth-month anniversary of the closing date of the merger. Within five business days after the eighteenth-month anniversary of the closing date of the merger, all shares of Motorola common stock remaining in the escrow fund will be released, except for shares as to which Motorola has made a claim and which claim is unresolved. If Motorola has made a claim for indemnification prior to such date, the escrow agent will retain in escrow shares and dividends that have a value equal to the claimed amount. Escrowed shares that are released from the escrow fund will be promptly delivered by the escrow agent to the RiverDelta stockholders in accordance with each stockholder's percentage of the escrow fund.

The merger agreement provides that Todd Dagres is appointed as representative of, for and on behalf of RiverDelta stockholders to take all actions necessary or appropriate in his judgment for the accomplishment of the terms of the merger agreement. Notices of communications to or from the stockholders' representative will constitute notice to or from each of the RiverDelta stockholders. If the stockholders' representative dies or is otherwise no longer able or willing to serve as the stockholders' representative, a new stockholders' representative will be chosen by RiverDelta stockholders holding a majority of RiverDelta common stock immediately prior to the merger after having given effect to the provisions of the bridge holders agreement (see "The Merger Agreement--Bridge Holders Agreement" on page 53).

The stockholders' representative will not be liable for any act done or omitted in the absence of willful misconduct or gross negligence pursuant to the advice of counsel.

The stockholders' representative has full power and authority to represent the RiverDelta stockholders and their successors with respect to all matters under the escrow agreement. All actions taken by the stockholders' representative under the escrow agreement will be binding upon the RiverDelta

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stockholders and their successors. The escrow agent may rely on the stockholders' representative as the exclusive agent of the RiverDelta Stockholders under the escrow agreement and will not incur any liability to any party in so relying.

Any dividends distributed on the escrowed shares are to be held in the escrow fund. Additionally, the stockholders' representative has the right to direct the escrow agent to exercise the voting rights of the escrow shares in his sole discretion.

The value of the escrowed shares is the average of the last reported sale price per share of Motorola common stock over the five consecutive trading days preceding the date of distribution of the escrow shares.

Motorola will pay the fees and expenses of the escrow agent.

### Letter of Transmittal

Each RiverDelta stockholder must use a specified letter of transmittal to receive the RiverDelta common stock to be issued in connection with the merger.

In this letter of transmittal, each RiverDelta stockholder will make representations and warranties as to certain matters, including as to title of their respective RiverDelta shares, and their authority, capacity and legal right to participate in the transaction. The letter of transmittal also includes:

- . an instruction to the exchange agent to deliver 10% of the shares of Motorola common stock which will be received in the merger to the escrow agent;

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- . an agreement to be bound by the terms of the indemnification provisions of the merger agreement; and
- . the appointment of Todd Dagues as stockholders' representative for all RiverDelta stockholders for purposes of taking all necessary action on behalf of all RiverDelta stockholders in connection with the post-closing audit and indemnification provisions in the merger agreement.

### Bridge Holders Agreement

On July 11, 2001, in connection with the merger agreement, RiverDelta, Pequot Private Equity Fund II, L.P., Battery Ventures V, L.P., Battery Investment Partners V, LLC, Battery Ventures Convergence Fund, L.P., Charles River Partnership X, a Limited Partnership, Charles River Partnership X-A, a Limited Partnership, Charles River Friends X-B, LLC, Charles River Friends X-C, LLC, David Callan and Scott E. Morrissette, the holders of subordinated convertible promissory notes of RiverDelta dated as of February 7, 2001 and May 16, 2001, and Battery Management Corp., Charles River Partnership X, a Limited Partnership, Charles River Partnership X-A, a Limited Partnership, Charles River Friends X-B, LLC, Charles River Friends X-C, LLC and David Callan, the holders of Series C convertible preferred stock purchase warrants of RiverDelta dated as of December 12, 2000, entered into a bridge holders agreement with Motorola under which they agreed to amend such subordinated convertible promissory notes and cancel such preferred stock purchase warrants. The aggregate principal amount of the subordinated convertible promissory note is \$25,000,000 and interest accrues at the rate of 12% per year. The preferred stock purchase warrants entitle the holder to purchase an aggregate total of 198,538 shares of a newly issued series of RiverDelta preferred stock.

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Pursuant to the bridge holders agreement, a copy of which is attached as Appendix E-1 to this proxy statement/prospectus (together with an amendment to the bridge holders agreement, a copy of which is attached as Appendix E-2 to this proxy statement/prospectus), each of the subordinated convertible promissory notes dated as of February 7, 2001, which was due and payable on demand on or after May 1, 2001, was amended to be due and payable on or after the closing date of the merger, and the subordinated convertible promissory note dated as of May 16, 2001, which was due and payable on the earlier of July 1, 2001 and the date of demand for payment by the holder of subordinated convertible promissory notes dated as of February 7, 2001, was amended to be due and payable on or after the closing date of the merger.

Each of the subordinated convertible promissory notes, which provided for optional conversion of all or part of the balance due thereon into shares of Series B preferred stock prior to an acquisition of RiverDelta, was amended to provide for the automatic conversion, immediately prior to the merger contemplated by the merger agreement, of the balance due on such subordinated convertible promissory notes into fully paid and non-assessable shares of RiverDelta Series B preferred stock. Upon such conversion, the holders of the subordinated convertible promissory notes will be entitled to a number of shares of Series B preferred stock rounded to the nearest whole share, determined by dividing the aggregate principal amount of the subordinated convertible promissory notes plus accrued interest thereon by \$12.09 per share (subject to equitable adjustment in the event of any stock split, stock dividend, combination, reclassification or similar event after the date of the bridge holders agreement). Assuming the merger occurs on September 25, 2001, the aggregate principal amount of the subordinated convertible promissory notes plus interest thereon will be converted into 2,217,432 shares of Series B preferred stock.

Under the bridge holders agreement, the holders of the subordinated convertible promissory notes agreed and elected to receive, upon conversion of the balance due thereon, the Series B preferred stock consideration described in the preceding paragraph.

The bridge holders agreement also provides that, immediately prior to the effective time, each of the preferred stock purchase warrants, which were exercisable from their date of issue to December 12, 2003, will be cancelled without any payment in respect thereof by RiverDelta or any other person.

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Furthermore, the bridge holders agreement provides that each securityholder that is a party to it will not, and will not agree to, contract to or sell or otherwise transfer or dispose of any of his, her or its RiverDelta subordinated convertible promissory notes or preferred stock purchase warrants, or any interest in those securities other than pursuant to the merger agreement, the bridge holders agreement or the investor rights agreement.

### Credit Agreement

On July 11, 2001, in connection with the merger agreement, Motorola and RiverDelta entered into a credit agreement pursuant to which Motorola will provide RiverDelta with loans of up to \$35 million to fund its working capital requirements from and after the execution of the merger agreement. The loans extended under the credit agreement will accrue interest at a rate of 10% per annum. The interest will be capitalized at the end of each fiscal quarter but is not payable until the maturity of the loans.

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The loans and interest are due and payable on the earlier of (a) July 11, 2002 and (b) the date of termination of Motorola's loan commitment due to an event of default.

RiverDelta borrowed \$10 million on July 11, 2001 and a further \$3.5 million on August 7, 2001.

**Security Agreement.** In connection with the credit agreement, RiverDelta executed a security agreement in favor of Motorola on July 11, 2001, pursuant to which RiverDelta granted to Motorola a lien and security interest in all of RiverDelta's assets (hereinafter referred to as the "Collateral") in order to secure the loans.

**Subordination.** RiverDelta's obligations to Motorola under the credit agreement and Motorola's lien on RiverDelta's assets are subordinate to the claims and liens of Silicon Valley Bank arising under the loan and security agreement dated as of June 30, 2000 (as amended) between Silicon Valley Bank and RiverDelta. RiverDelta's obligations to Motorola under the credit agreement and Motorola's lien on RiverDelta's assets are senior to and have priority over the claims of all of RiverDelta's other creditors.

**Representations; Covenants of RiverDelta and Motorola.** The credit agreement contains customary representations, warranties and covenants.

**Events of Default.** The credit agreement provides for limited events of default subject to, in certain circumstances, grace periods, relating to the following:

- . RiverDelta's failure to pay the loans or interest due on the loans when due and payable;
- . RiverDelta's breach of representations, warranties and covenants contained in the credit agreement and the documents related thereto;
- . RiverDelta's failure to pay principal or interest on debt in a principal amount of at least \$5,000,000 when due and payable or if any such debt is accelerated;
- . insolvency events related to RiverDelta;
- . if any judgment or order is entered against RiverDelta and enforcement proceedings are commenced for payment of more than \$1 million;
- . if any provision of the credit agreement or any document related thereto ceases to be valid and binding on or enforceable against RiverDelta (unless cured as provided in the credit agreement); or
- . if a "change of control" occurs, other than a "qualified financing" (meaning the first closing after July 11, 2001 of an equity financing by RiverDelta in which the gross proceeds received by it are equal to or greater than \$20 million; a "change of control" means (a) any person or persons other than holders of equity interests in RiverDelta (hereinafter referred to as the "Equity Holders"), Motorola or any of its subsidiaries acquires beneficial ownership of more than 15% of the voting interests of RiverDelta, or (b) at any time individuals who on July 11, 2001 were directors of RiverDelta cease to constitute a majority

of the board of directors, or (c) any person or persons other than Motorola or any of its subsidiaries and other than pursuant to the merger

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agreement has acquired or has entered into a contract that will result in the acquisition of the power to exercise a controlling influence over the management or policies of RiverDelta, or (d) the Equity Holders, or any other person controlled by them creates, incurs, assumes or suffers to exist liens on equity interests in RiverDelta in an aggregate amount in excess of such equity interests that if otherwise sold, transferred or otherwise disposed of would cause a change of control).

If an event of default occurs, Motorola may, with notice to RiverDelta, terminate Motorola's commitment to make loans to RiverDelta and declare the loans, all interest on the loans and all other amounts payable under the credit agreement and the loan documents to be due and payable and may, subject to the provisions described above under "subordination", exercise its rights under the security agreement to foreclose on the Collateral.

Further, upon such event of default, if the merger agreement is terminated, and then only in certain circumstances, either Motorola or RiverDelta may elect to convert all or part of the aggregate principal and interest of the loans then outstanding under the credit agreement into stock of RiverDelta, as provided in the promissory note, which is attached as Exhibit A to the credit agreement.

### Original Equipment Manufacturer (OEM) Agreement

Independent of the merger RiverDelta and Motorola entered into an original equipment manufacturer agreement (hereinafter referred to as the "OEM agreement") on August 1, 2001. Pursuant to the OEM agreement, RiverDelta will, as an original equipment manufacturer, manufacture, test, deliver, and sell data communications products of its design and manufacture to Motorola, and provide support for such products. The term of the OEM agreement commenced on August 1, 2001 and will continue in effect until July 31, 2002. Motorola has the right to extend the term for up to twelve months, subject to the parties' mutual agreement on pricing and discount terms for the renewal period.

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### ADDITIONAL PROPOSALS

In connection with the merger, RiverDelta stockholders have been asked to vote on two other proposals. These proposals are as follows:

#### Amendment to Certificate of Incorporation

At the RiverDelta special meeting, holders of RiverDelta common stock, Series A preferred stock and Series B preferred stock will be asked to approve the amendment of RiverDelta's restated certificate of incorporation. The amendment will increase the total number of shares of authorized capital stock of RiverDelta to 85,860,000 by increasing the number of authorized shares of RiverDelta preferred stock to 13,860,000, and will designate 6,500,000 shares of preferred stock as Series B preferred stock.

RiverDelta's restated certificate of incorporation currently authorizes 79,360,000 shares of capital stock consisting of 72,000,000 shares of common stock, 12,000,000 shares of preferred stock, of which 7,360,000 shares are designated as Series A preferred stock and 2,980,000 shares are designated as Series B preferred stock. On July 10, 2001, RiverDelta's board of directors adopted a resolution approving an amendment to the restated certificate of incorporation to increase the authorized capital stock of RiverDelta to 85,860,000 by increasing the number of authorized shares of RiverDelta preferred stock to 13,860,000, and designating 6,500,000 shares of preferred stock as Series B preferred stock.

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On July 27, 2001, 33,841,200 shares of common stock, 7,358,358 shares of Series A preferred stock and 2,956,988 shares of Series B preferred stock were issued and outstanding and 34,287,558 shares of common stock were reserved for issuance upon the conversion of all outstanding shares of Series A preferred stock and Series B preferred stock and the exercise of stock options granted pursuant to RiverDelta's 1999 Employee, Director and Consultant Stock Option Plan. Accordingly, RiverDelta has 3,871,242 shares of common stock, 1,660,000 shares of undesignated preferred stock and 23,012 shares of Series B preferred stock available for issuance.

On July 11, 2001, in connection with the merger agreement, RiverDelta, Pequot Private Equity Fund II, L.P., Battery Ventures V, L.P., Battery Investment Partners V, LLC, Battery Ventures Convergence Fund, L.P., Charles River Partnership X, a Limited Partnership, Charles River Partnership X-A, a Limited Partnership, Charles River Friends X-B, LLC, Charles River Friends X-C, LLC, David Callan and Scott E. Morrisse, the holders of subordinated convertible promissory notes of RiverDelta dated as of February 7, 2001 and May 16, 2001, entered into a bridge holders agreement with Motorola under which they agreed to amend such subordinated convertible promissory notes to provide for the automatic conversion, immediately prior to the merger contemplated by the merger agreement, of the aggregate amount of principal and accrued interest thereon of the subordinated convertible promissory notes into fully paid and non-assessable shares of RiverDelta Series B preferred stock.

RiverDelta expects that approximately 2,217,432 shares of Series B preferred stock will be required to be issued to the holders of the subordinated convertible promissory notes upon the automatic conversion of the notes immediately prior to the merger, assuming the merger occurs on September 25, 2001. If the merger occurs after September 25, 2001, additional shares of Series B preferred stock will be required to be issued to the holders of the subordinated convertible promissory notes in order to convert the additional accrued interest, which accrues at the rate of \$8,219 per day, into Series B preferred stock upon conversion of the notes.

Presently, RiverDelta has 1,660,000 shares of undesignated preferred stock and 23,012 shares of Series B preferred stock available for issuance. For this reason, RiverDelta does not presently have a sufficient number of shares of undesignated preferred stock or Series B preferred stock available for such issuance to the holders of the subordinated convertible promissory notes upon the automatic conversion of the notes. Accordingly, RiverDelta needs to authorize approximately 1,860,000 additional shares of undesignated preferred stock and to designate approximately 6,500,000 shares as Series B preferred stock.

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Approval by the RiverDelta stockholders of the foregoing amendment to the restated certificate of incorporation requires the affirmative vote of a majority of the outstanding shares of RiverDelta common stock, Series A preferred stock and Series B preferred stock, on an as converted basis, voting together as a single class.

RiverDelta's board of directors has determined that the amendment to the restated certificate of incorporation is in the best interests of RiverDelta and its stockholders and unanimously recommends that RiverDelta stockholders vote "FOR" the amendment to RiverDelta's restated certificate of incorporation. Proxies solicited by the board of directors will be voted in favor of the amendment unless a stockholder has indicated otherwise on the proxy.

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### Deemed Conversion of Series A Preferred Stock

In order to complete the merger, the holders of Series A preferred stock must elect to treat the merger as a deemed conversion of their shares. Pursuant to Article IV, Section B.1(a)(i) of RiverDelta's restated certificate of incorporation, the holders of RiverDelta Series A preferred stock are entitled to receive an amount equal to \$1.359 per share of Series A preferred stock upon the occurrence of a liquidation, dissolution or winding up of RiverDelta, including a capital reorganization, a consolidation or merger, or a sale of all or substantially all of RiverDelta's assets.

Pursuant to Article IV, Section B.2(d)(vii)(A) of RiverDelta's restated certificate of incorporation, the holders of at least sixty-six and two-thirds percent (66 2/3%) of RiverDelta's Series A preferred stock may elect to receive the per share consideration that they would have been entitled to receive if such holders had converted their shares of Series A preferred stock into shares of common stock immediately prior to the effective time of the merger in lieu of receiving the payment in liquidation, dissolution or winding up discussed above.

On July 11, 2001, holders of 90% of the shares of RiverDelta Series A preferred stock entered into a voting agreement, dated as of July 11, 2001, among Motorola, Bayou Merger Sub, Inc., and certain stockholders of RiverDelta pursuant to which such holders of Series A preferred stock have agreed to receive the per share consideration that they would have received if their shares of Series A preferred stock had been converted into shares of RiverDelta common stock immediately prior to the merger.

Approval by the RiverDelta stockholders of the foregoing deemed conversion of the Series A preferred stock requires the affirmative vote of holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of Series A preferred stock, voting as a separate class.

RiverDelta's board of directors has determined that the deemed conversion of the Series A preferred stock immediately prior to the merger is in the best interest of RiverDelta and its stockholders and unanimously recommends that holders of the RiverDelta Series A preferred stock vote "FOR" such deemed conversion. Proxies solicited by the board of directors will be voted in favor of the amendment unless a stockholder has indicated otherwise on the proxy.

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### DESCRIPTION OF MOTOROLA CAPITAL STOCK

The following description of Motorola's capital stock is subject to the detailed provisions of Motorola's restated certificate of incorporation, as amended, and by-laws, as amended, and to the rights agreement described below. The following description of certain terms of the capital stock of Motorola does not purport to be complete and is qualified in its entirety by reference to the restated certificate of incorporation, the by-laws and the rights agreement, which are filed as exhibits to the registration statement. See "Where You Can Find More Information" on page 73.

#### Motorola Common Stock

The Motorola charter authorizes Motorola to issue up to 4.2 billion shares of Motorola common stock, par value \$3.00 per share. Each Motorola share is entitled to one vote, in person or by proxy, at any and all meetings of the Motorola stockholders on all propositions before such meetings and on all elections of directors of Motorola. The Motorola charter does not provide for cumulative voting in the election of directors. The shares of Motorola common

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stock have no preemptive or conversion rights, redemption provisions or sinking fund provisions. Subject to any preferential rights of any outstanding series of Motorola preferred stock created by the Motorola board of directors from time to time, the holders of Motorola common stock are entitled to dividends only if, when and as the dividends are declared by the Motorola board of directors and as may be permitted by law, and, upon liquidation, will be entitled to receive pro rata all assets of Motorola available for distribution to such holders. As of June 30, 2001, approximately 2,212,943,842 shares of Motorola common stock were issued and outstanding, held by approximately 111,836 holders of record. For a description of voting requirements and change of control restrictions, see "Description of Motorola Capital Stock--Motorola Rights Plan" beginning on page 59 and "Comparison of Certain Rights of Common Stockholders of Motorola and Stockholders of RiverDelta" beginning on page 61.

### Motorola Preferred Stock

Motorola is also authorized to issue up to 500,000 shares of preferred stock, par value \$100 per share, from time to time, in one or more series and with such designation for each such series as determined by the Motorola board of directors. The Motorola board of directors may, without further action by the Motorola stockholders, issue a series of Motorola preferred stock and state and fix the rights and preferences of those shares, including:

- . the voting powers, if any, of the holders of stock of such series;
- . the rate per annum and the times at and conditions upon which the holders of stock of such series will be entitled to receive dividends, and whether such dividends will be cumulative or non-cumulative and, if cumulative, the terms upon which such dividends will be cumulative;
- . the price or prices and the time or times at and the manner in which the stock of such series will be redeemable;
- . the right to which the holders of the shares of stock of such series shall be entitled upon any voluntary or involuntary liquidation, dissolution or winding-up of Motorola;
- . the terms, if any, upon which shares of stock of such series shall be convertible into, or exchangeable for, shares of any stock of any other class or classes or of any other series of the same or any other class or classes, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any; and
- . any other designations, preferences, and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof so far as they are not inconsistent with the provisions of the Motorola certificate of incorporation, as amended, and to the full extent now or hereafter permitted by the laws of Delaware.

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On November 5, 1998, the Motorola board of directors designated a series of Motorola preferred stock, Junior Participating Preferred Stock, Series B (hereinafter referred to as "Motorola Series B Preferred Stock") and authorized 250,000 shares for issuance in connection with the adoption of the Motorola rights plan. As of August 14, 2001, no shares of Motorola preferred stock of any series were outstanding.

### Motorola Rights Plan

On November 5, 1998, the Motorola board of directors authorized the issuance

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of one preferred share purchase right (hereinafter referred to as a "Right") for each outstanding share of Motorola common stock, pursuant to a Rights Agreement between Motorola and Harris Trust and Savings Bank, as Rights Agent. Each Right entitles the registered holder to purchase from Motorola one thirty-thousandth of a share of Motorola Series B Preferred Stock at an exercise price of \$66.66 per one thirty-thousandth of a share of Motorola Series B Preferred Stock, subject to adjustment. The Rights become exercisable on the earlier of:

- . the tenth day after a public announcement that a person or group of affiliated or associated persons has acquired or obtained the right to acquire 10% or more of the outstanding shares of Motorola common stock (thereby becoming an "Acquiring Person"); and
- . the tenth business day after the commencement or public disclosure of an intention to commence a tender offer or exchange offer by a person other than an exempt person, if, upon completion of the offer, such person could become an Acquiring Person.

A majority of the Motorola board of directors may elect to defer the date on which the Rights become exercisable. The Rights expire on November 20, 2008 unless earlier redeemed or exchanged by Motorola as described below.

If a person or group becomes an Acquiring Person, each holder of a Right (except those held by the Acquiring Person and its affiliates and associates) will have the right to purchase, upon exercise, Motorola common stock (or, in certain circumstances, shares of Motorola Series B Preferred Stock, common stock equivalents or cash) having a value equal to two times the exercise price of the Right. In addition, in the event that, at the time or after a person becomes an Acquiring Person, Motorola is involved in a merger or other business combination in which (1) Motorola is not the surviving corporation, (2) Motorola common stock is changed or exchanged, or (3) 50% or more of Motorola's consolidated assets or earning power are sold, then each Right (other than Rights that are or were owned by the Acquiring Person and certain related persons and transferees, which will thereafter be void) will thereafter be exercisable for a number of shares of common stock of the acquiring company having a market value of two times the exercise price of the Right. In addition, at any time after any person or group becomes an Acquiring Person and before any person acquires 50% or more of the outstanding Motorola common stock and before a business combination occurs, the Motorola board of directors may exchange the Rights (other than Rights owned by the Acquiring Person which will have become void), in whole or in part, at an exchange ratio of one share of Motorola common stock, or one thirty-thousandth of a share of Motorola Series B Preferred Stock (or a common stock equivalent), per Right (subject to adjustment).

The Motorola board of directors may redeem all, but not less than all, Rights at a redemption price of \$.0033 per Right at any time prior to the time that a person or a group has become an Acquiring Person. Immediately upon redemption, the right to exercise will terminate, and the only right of holders will be to receive the redemption price. As long as the Rights are redeemable, the terms of the Rights may be amended by the Motorola board of directors in its discretion without the consent of the Rights holders. After that time, no amendment may adversely affect the interests of the Rights holder (other than the Acquiring Person).

The Rights will not prevent a takeover of Motorola. The Rights, however, may have certain antitakeover effects. The Rights may cause substantial dilution to a person or group that attempts to acquire Motorola on terms not approved by the Motorola board of directors or make the acquisition of Motorola substantially more costly, unless the Motorola board of directors redeems the Rights prior to the person becoming an Acquiring

Person. The Rights should not interfere with any merger or other business combination approved by the Motorola board of directors because of the board's ability to redeem the Rights or amend the Motorola rights plan. A description of the Motorola rights plan specifying the terms of the Rights and the Motorola Series B Preferred Stock has been included in reports filed by Motorola under the Securities Exchange Act. See "Where You Can Find More Information" on page 73. This summary description is qualified in its entirety by reference to the Motorola rights plan.

Each share of Motorola common stock issued in the merger will have a corresponding Right attached to it.

Transfer Agent; Registrar and Exchange Agent

ComputerShare Investor Services LLC is the transfer agent and registrar for the Motorola common stock. ComputerShare Investor Services LLC is also the exchange agent.

COMPARISON OF CERTAIN RIGHTS OF COMMON STOCKHOLDERS OF MOTOROLA AND STOCKHOLDERS OF RIVERDELTA

The rights of Motorola and RiverDelta stockholders are currently governed by the Delaware General Corporation Law, and the respective charter and by-laws of Motorola and RiverDelta. Upon completion of the merger, the rights of RiverDelta stockholders who become stockholders of Motorola in the merger will be governed by the Delaware General Corporation Law, Motorola's charter and Motorola's by-laws.

The following description summarizes the material provisions and certain material differences that may affect the rights of stockholders of Motorola and stockholders of RiverDelta but does not purport to be a complete statement of all those differences, or a complete description of the specific provisions referred to in this summary. The identification of specific differences is not intended to indicate that other equally or more significant differences do not exist. You should read carefully the relevant provisions of the Delaware General Corporation Law, Motorola's charter, Motorola's by-laws, RiverDelta's restated certificate of incorporation and RiverDelta's by-laws.

Capitalization

As discussed in "Description of Motorola Capital Stock" beginning on page 58, Motorola's authorized capital stock consists of 4.2 billion shares of common stock and 500,000 shares of preferred stock. The authorized capital stock of RiverDelta consists of 72,000,000 shares of common stock, par value \$0.01 per share, and 12,000,000 shares of preferred stock, par value \$0.01 per share. As of August 8, 2001, 34,043,181 shares of RiverDelta common stock, 7,358,358 shares of RiverDelta Series A preferred stock and 2,956,988 shares of RiverDelta Series B preferred stock are issued and outstanding.

Voting Stock

Each holder of Motorola common stock is entitled to one vote for each share held at all meetings of stockholders. Motorola's charter does not provide for cumulative voting.

Each holder of RiverDelta common stock is entitled to one vote for each

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share held at all meetings of stockholders and written actions in lieu of meetings. Each holder of RiverDelta preferred stock is entitled to that number of votes equal to the largest number of whole shares of common stock into which the shares of preferred stock held are then convertible. Except as provided by law, and in certain situations set forth in RiverDelta's restated certificate of incorporation, holders of preferred stock vote together with the holders of common stock as a single class. RiverDelta's restated certificate of incorporation does not provide for cumulative voting.

### Number of Directors

The Motorola by-laws provide that the Motorola board of directors shall consist of 16 directors or such other number that the Motorola board of directors may fix. The Motorola board currently consists of 13 directors.

RiverDelta's by-laws provide that the RiverDelta board of directors shall have that number of directors as determined by resolution of the board of directors or the stockholders at the annual meeting or any special meeting. The RiverDelta board of directors currently consists of 5 directors.

### Classification of Board of Directors

Motorola does not have a classified board of directors.

RiverDelta does not have a classified board of directors.

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### Quorum for Meeting of Directors

The Motorola by-laws provide that one-third of the number of directors fixed in accordance with the provisions of the Motorola by-laws shall constitute a quorum at all meetings of the board of directors.

RiverDelta's by-laws provide that a majority of the total number of members of the board of directors shall constitute a quorum at any meeting of the board of directors.

### Election of Directors

The Motorola by-laws provide that directors shall be elected by the affirmative vote of a plurality of the shares of Motorola common stock represented at the meeting and entitled to vote on the election of directors.

RiverDelta's restated certificate of incorporation provides that as long as at least 1,600,000 shares of Series A preferred stock remain outstanding, the holders of such shares of Series A preferred stock, voting as a separate class, will be entitled to elect two directors of RiverDelta. Subject to an investor rights agreement among RiverDelta and the stockholders of RiverDelta parties thereto, the holders of the Series A preferred stock, Series B preferred stock and common stock of RiverDelta, voting together as a single class, will be entitled to elect any remaining directors of RiverDelta.

### Removal of Directors

The Motorola charter and the Motorola by-laws contain no specific provision regarding removal. Delaware law provides that in the absence of such a provision, directors of a corporation may be removed with or without cause by the holders of a majority of the shares entitled to vote in the election of directors.

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RiverDelta's by-laws provide that directors may be removed with or without cause, at any time, by the holders of a majority of the shares then entitled to vote at an election of directors. Additionally, RiverDelta's restated certificate of incorporation provides that any director elected by the holders of a class or series of stock may be removed from office with or without cause by an affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director at a special meeting called for that purpose or pursuant to a written consent of stockholders.

### Amendments to Charter

Motorola's charter may be amended in any manner provided for by law.

RiverDelta's restated certificate of incorporation may be amended in any manner provided for by law, except that the restated certificate of incorporation may not, without the prior written consent or affirmative vote of at least two-thirds of the then outstanding shares of Series A preferred stock and Series B preferred stock, respectively, each voting as a separate class, be amended, altered, repealed or added to if such action would adversely affect the preferences of such preferred stock.

### Filling Vacancies on the Board of Directors

Motorola's by-laws provide that a vacancy on the board of directors, however occurring, may be filled by the board of directors for the unexpired portion of the term.

RiverDelta's by-laws provide that, subject to the rights of holders of preferred stock of RiverDelta to elect directors, a vacancy on the board of directors, however occurring, including a vacancy resulting from an enlargement of the board, may be filled only by a majority vote of the directors then in office, although less than a quorum, or by the sole remaining director.

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### Amendments to By-Laws

Motorola's by-laws authorize the board of directors to alter, amend or repeal Motorola's by-laws, and to adopt new by-laws. Delaware law provides that stockholders entitled to vote also have the power to adopt, amend or repeal the by-laws. Amendment of the Motorola by-laws by the Motorola stockholders requires the affirmative vote of holders of a majority of the shares of voting stock represented at the meeting and entitled to vote on that subject matter.

RiverDelta's restated certificate of incorporation authorizes the board of directors to adopt, amend or repeal RiverDelta's by-laws.

### Rights Plan

As discussed in "Description of Motorola Capital Stock--Motorola Rights Plan" beginning on page 59, each share of Motorola common stock has attached to it one Right issued under the Motorola rights plan.

RiverDelta has not adopted a rights plan.

### Special Stockholder Meetings

The Motorola by-laws provide that either the Motorola board of directors or its chairman may call a special meeting.

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RiverDelta's by-laws provide that the RiverDelta board of directors may call a special meeting pursuant to a resolution adopted by a majority of the total number of directors authorized.

### Stockholder Action by Written Consent

Motorola's by-laws do not provide for stockholder action by written consent instead of a stockholder meeting.

RiverDelta's by-laws provide for stockholder action by written consent instead of a stockholder meeting, provided that such written consent is signed and dated by the holders of the outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and that such consent is delivered to RiverDelta within 60 days of the earliest dated consent.

### Limitation of Personal Liability of Directors and Indemnification

Motorola's charter provides that a director will not be personally liable to the corporation or to its stockholders for monetary damages for a breach of fiduciary duty as a director, except, if required by law, for liability:

- . for any breach of the director's duty of loyalty to the corporation or its stockholders;
- . for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- . under Section 174 of the Delaware General Corporation Law regarding unlawful payment of dividends or unlawful stock purchases or redemptions; and
- . for any transaction from which the director derived an improper personal benefit.

Motorola's charter provides a right to indemnification to directors and officers of Motorola to the fullest extent permitted by the Delaware General Corporation Law.

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In addition, Motorola must indemnify any present or former director or officer of the corporation who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation who has been successful on the merits or otherwise in the defense of any claim or proceeding for expenses (including attorneys' fees) actually and reasonably incurred. Motorola will indemnify in connection with a proceeding initiated by such indemnitee only if such proceeding was authorized by Motorola's board of directors.

RiverDelta's restated certificate of incorporation provides that a director will not be personally liable to RiverDelta or its stockholders for monetary damages for breach of fiduciary duty as a director, except if required by law. RiverDelta's by-laws provide that RiverDelta will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of RiverDelta) by reason of the fact that he or she is or was a director, officer, employee or agent of RiverDelta, or is or was serving at the request of RiverDelta as a

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director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of RiverDelta and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful.

Under RiverDelta's restated certificate of incorporation, RiverDelta agreed to indemnify and advance expenses to any person who was or is a party to any suit by or in the right of RiverDelta by reason of the fact that he or she is or was, or has agreed to become, a director, officer, employee or agent of RiverDelta or is serving at the request of RiverDelta as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise only if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of RiverDelta, except that no indemnification will be made if the person is held to be liable to RiverDelta, unless and to the extent the Delaware Court of Chancery determines that despite such liability, he or she is fairly and reasonably entitled to such indemnity. RiverDelta's by-laws further provide that if an indemnitee is successful, on the merits or otherwise, of a suit, he or she will be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her.

Any indemnification above (unless ordered by a court) will be made by RiverDelta only as authorized in the specific case upon a determination that indemnification of any person described above is proper in the circumstances because he or she has met the applicable standard of conduct set forth above. This determination will be made (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders of RiverDelta.

### Dividends

Motorola's charter provides that the board of directors may, by resolution, state the conditions upon which the holders of preferred stock shall be entitled to receive dividends. The common stockholders shall be entitled to dividends only if the board of directors declares dividends and as may be permitted by law.

RiverDelta's restated certificate of incorporation provides that dividends may be declared and paid on the common stock from funds lawfully available therefor as and when determined by the board of directors, subject to provisions of law and to any preferential dividend rights of any then outstanding preferred stock.

The holders of the preferred stock are entitled, when, as and if declared by the board of directors of RiverDelta, to dividends out of the corporation's assets legally available therefor at the annual rate of \$.1087 per share of Series A preferred stock and \$.9672 per share of Series B preferred stock, provided that no

dividend may be declared or paid on the Series A preferred stock unless RiverDelta simultaneously declares and pays a dividend on the Series B preferred stock, and vice-versa.

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The rights to receive dividends on the preferred stock are non-cumulative, and holders of preferred stock will not have any rights to dividends by reason of the fact that no dividend has been declared on the preferred stock in any prior year. RiverDelta may not declare or pay any cash dividends on shares of common stock unless the holders of the preferred stock then outstanding have first received a dividend at the rates specified above.

### Liquidation

Motorola's charter provides that the board of directors may, by resolution, state the right to which the preferred stockholders shall be entitled upon any voluntary or involuntary liquidation, dissolution or winding up of the corporation. Holders of Motorola common stock have no preferential rights with respect to liquidation.

RiverDelta's restated certificate of incorporation provides that in the event of any voluntary or involuntary liquidation, dissolution or winding up of RiverDelta, the holders of shares of RiverDelta preferred stock then outstanding are entitled to be paid first out of RiverDelta's assets available for distribution to its stockholders before any payment may be made to the holders of RiverDelta common stock by reason of their ownership thereof:

- . an amount equal to \$1.359 for each share of Series A preferred stock then held by them; and
- . an amount equal to \$12.09 for each share of Series B preferred stock then held by them,

in each case subject to appropriate adjustment in the event of any stock dividend, stock split, combination, reclassification or other similar event affecting such preferred shares, plus any dividends declared and unpaid on such preferred shares. If the assets of RiverDelta are insufficient to permit the payment in full of the above amounts to holders of preferred stock, then the entire assets of RiverDelta available for distribution will be distributed ratably among holders of preferred stock in proportion to the respective amounts that would otherwise be payable in respect of the shares held by them upon such distributions if all amounts payable on or with respect to such shares were paid in full. In addition, after payment in full of the above amounts to the holders of preferred stock, the remaining assets of RiverDelta available for distribution to holders of RiverDelta's capital stock will be distributed on a pro rata basis among the holders of common stock.

RiverDelta's restated certificate of incorporation also provides that a reorganization, consolidation, merger or sale of assets will be regarded as a liquidation, dissolution or winding up of the affairs of RiverDelta. In the event of reorganization, consolidation, merger or sale of assets, then the holders of at least two-thirds of each of the outstanding shares of Series A preferred stock and Series B preferred stock, respectively, will have the option to elect the following benefits instead of receiving payment as provided in the preceding paragraph: the holders of preferred stock will be entitled to receive upon conversion of the shares of the preferred stock the same kind and amount of stock or other securities or property of RiverDelta or any successor corporation to which they would have been entitled had such holders converted their shares immediately prior to such reorganization, consolidation, merger or sale of assets.

### Conversion

Motorola's charter provides that the board of directors may, by resolution, state the terms upon which shares of preferred stock shall be convertible into, or exchangeable for, shares of stock of any other class or classes of any other series, including the price, the rate of conversion and the terms of adjustment. Holders of Motorola common stock have no rights to convert their

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shares into any other securities.

Holders of RiverDelta common stock have no rights to convert their shares into any other securities. Subject to certain terms, conditions, limitations and adjustments set forth in RiverDelta's restated certificate of

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incorporation, holders of Series A and Series B preferred stock have the right at their option to convert any such shares, without the payment of additional consideration, into the number of fully paid and nonassessable shares of RiverDelta common stock as is determined by the formulae set forth in the restated certificate of incorporation. Based on the formulae contained in RiverDelta's restated certificate of incorporation, each share of RiverDelta Series A preferred stock is currently convertible into three shares of RiverDelta common stock and each share of RiverDelta Series B preferred stock is convertible into one and one-half shares of RiverDelta common stock.

RiverDelta's restated certificate of incorporation also provides that each share of preferred stock will be automatically converted into the number of shares of common stock into which such shares are convertible at the then effective conversion rate upon the occurrence of certain events.

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### CERTAIN INFORMATION CONCERNING RIVERDELTA

Security Ownership of Directors, Executive Officers and Principal Stockholders of RiverDelta

The following table sets forth information regarding the beneficial ownership of RiverDelta's common stock as of July 27, 2001, by:

- . each person that beneficially owns more than 5% of the outstanding shares of RiverDelta common stock or preferred stock;
- . each director of RiverDelta;
- . each executive officer of RiverDelta; and
- . all executive officers and directors of RiverDelta as a group.

To the knowledge of RiverDelta and unless otherwise indicated, each person named in the table has sole voting power and investment power, or shares such power with his or her spouse, with respect to all shares of capital stock listed as owned by such person. The address of each RiverDelta officer and director is c/o RiverDelta Corporation, 3 Highwood Drive East, Tewksbury, Massachusetts 01876.

The number of shares beneficially owned by each stockholder is determined under rules promulgated by the SEC. The information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and any shares as to which the individual has the right to acquire beneficial ownership within 60 days after July 27, 2001 through the exercise of any stock option, warrant or other right. The inclusion in the following table of those shares, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares. The vesting and promissory note conversion information set forth below has been calculated assuming a closing date of the

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merger on September 25, 2001. Restricted stock described below is subject to repurchase by RiverDelta if the owner ceases to be employed by RiverDelta.

### Number of Shares Beneficially Owned

Name	Common Stock (% of Class) (/1/)	Series A Preferred Stock (% of Class) (/2/)	Series B Preferred Stock (% of Class) (/3/)	Percent Total Voting P
-----	-----	-----	-----	-----
<b>5% STOCKHOLDERS</b>				
Battery Ventures (/5/)... 20 William St. Wellesley, MA 02481	0	3,311,258 (44.9%)	858,538 (25.2%)	18.4
Charles River Partners (/6/)... 100 Winter Street, Suite 3300 Waltham, MA 02451	0	3,311,258 (44.9%)	858,538 (25.2%)	18.4
Pequot Capital Management, Inc. (/7/)... 500 Nyala Farm Road Westport, CT 06880	0	0	2,544,206 (66.1%)	6.2

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Name	Common Stock (% of Class) (/1/)	Series A Preferred Stock (% of Class) (/2/)	Series B Preferred Stock (% of Class) (/3/)	Percent Total Voting
-----	-----	-----	-----	-----
<b>EXECUTIVE OFFICERS AND DIRECTORS</b>				
Michael Brown (/8/)... .....	1,655,853 (4.8%)	0	0	2.
David F. Callan (/9/)... .....	11,475,000 (33.9%)	0	824,406 (24.5%)	21.
Joseph A. Cozzolino (/10/)... .....	1,748,201 (5.1%)	0	0	2.
Jeffrey A. Walker (/11/)... .....	1,103,901 (3.2%)	0	0	1.
Gerard White (/12/)... .....	1,379,877 (4.0%)	0	0	2.
Todd Dagres (/13/)... .....	0	3,311,258 (44.9%)	858,538 (25.2%)	18.

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Michael Karfopoulos (/14/)	0	0	2,544,206 (66.1%)	6.
Bruce I. Sachs (/15/)	0	3,311,258 (44.9%)	858,538 (25.2%)	18.
All executive officers and directors as a group (8 persons)	17,362,832 (47.6%)	6,622,516 (90%)	5,085,688 (/16/) (98.8%)	70.

- 
- (1) Based on 33,841,200 shares of common stock issued and outstanding as of July 27, 2001.
  - (2) Based on 7,358,358 shares of Series A preferred stock issued and outstanding as of July 27, 2001.
  - (3) Based on 2,956,988 shares of Series B preferred stock issued and outstanding as of July 27, 2001.
  - (4) Based on 60,351,756 shares of RiverDelta capital stock issued and outstanding, on an as-converted basis, as of July 27, 2001. Each share of common stock is entitled to one vote. Each share of Series A preferred stock is convertible into three shares of common stock and therefore is entitled to three votes. Each share of Series B preferred stock is convertible into one and one-half shares of common stock and therefore is entitled to one and one-half votes.
  - (5) Includes 2,945,447 shares of Series A preferred stock held directly by Battery Ventures V, L.P., 298,013 shares of Series A preferred stock held directly by Battery Ventures Convergence Fund, L.P., and 67,798 shares of Series A preferred stock held directly by Battery Investment Partners V, LLC. Includes 367,876 shares of Series B preferred stock held directly by Battery Ventures V, L.P., 37,221 shares of Series B preferred stock held directly by Battery Ventures Convergence Fund, L.P., and 8,468 shares of Series B preferred stock held directly by Battery Investment Partners V, LLC. Also includes 395,814 shares of Series B preferred stock issuable to Battery Ventures V, L.P., 40,047 shares of Series B preferred stock issuable to Battery Convergence Fund, L.P., and 9,111 shares of Series B preferred stock issuable to Battery Investment Partners V, LLC upon conversion of the principal amount of the subordinated convertible promissory notes, and accrued interest thereon, immediately prior to the merger, assuming the merger occurs on September 25, 2001. Todd Dages is a director of RiverDelta. Mr. Dages is also a managing member of Battery Partners V, LLC, the sole general partner of Battery Ventures V, L.P., and thus may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held by Battery Ventures V, L.P. Battery Investment Partners V, LLC coinvests with Battery Ventures V, L.P. in all portfolio companies. Accordingly, Mr. Dages may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held by

Battery Investment Partners V, LLC. Mr. Dages is also a managing member of Battery Convergence Partners, LLC, the sole general partner of Battery Ventures Convergence Fund, L.P., and thus may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held by Battery Ventures Convergence Fund, L.P. Mr. Dages disclaims beneficial ownership of the shares held by Battery Ventures V, L.P., Battery Investment Partners V, LLC and Battery Ventures Convergence Fund, L.P., in each case except to the extent of his proportionate pecuniary interest therein.

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- (6) Includes 2,996,835 shares of Series A preferred stock held directly by Charles River Partnership X, a Limited Partnership, 82,223 shares of Series A preferred stock held directly by Charles River Partnership X-A, a Limited Partnership, 197,594 shares of Series A preferred stock held directly by Charles River Friends X-B, LLC and 34,606 shares of Series A preferred stock held directly by Charles River Friends X-C, LLC. Includes 374,295 shares of Series B preferred stock held directly by Charles River Partnership X, a Limited Partnership, 10,269 shares of Series B preferred stock held directly by Charles River Partnership X-A, a Limited Partnership, 24,679 shares of Series B preferred stock held directly by Charles River Friends X-B, LLC and 4,322 shares of Series B preferred stock held directly by Charles River Friends X-C, LLC. Also includes 402,720 shares of Series B preferred stock issuable to Charles River Partnership X, a Limited Partnership, 11,049 shares of Series B preferred stock issuable to Charles River Partnership X-A, a Limited Partnership, 26,553 shares of Series B preferred stock issuable to Charles River Friends X-B, LLC and 4,650 shares of Series B preferred stock issuable to Charles River Friends, X-C, LLC upon conversion of the principal amount of subordinated convertible promissory notes, and the accrued interest thereon, immediately prior to the merger, assuming the merger occurs on September 25, 2001. Bruce Sachs is a director of RiverDelta. Mr. Sachs is also a managing member of Charles River X GP, LLC, which is the general partner of Charles River Partnership X, a Limited Partnership, and Charles River Partnership X-A, a Limited Partnership, and thus may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held of record by or issuable to Charles River Partnership X, a Limited Partnership, and Charles River Partnership X-A, a Limited Partnership. Mr. Sachs is also a limited partner of both Charles River Partnership X, a Limited Partnership, and Charles River Partnership X-A, a Limited Partnership. Mr. Sachs disclaims beneficial ownership of the shares held of record by or issuable to Charles River Partnership X, a Limited Partnership, and Charles River Partnership X-A, a Limited Partnership, in each case except to the extent of his proportionate pecuniary interest therein. Mr. Sachs is neither an officer nor director of Charles River Friends VII, Inc., which is the general partner of Charles River Partnership X-B, LLC and Charles River Partnership X-C, LLC, but because Charles River Partnership X, a Limited Partnership, Charles River Partnership X-A, a Limited Partnership, Charles River Partnership X-B, LLC and Charles River Partnership X-C, LLC coinvest, Mr. Sachs may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held of record by or issuable to Charles River Partnership X-B, LLC and Charles River Partnership X-C, LLC. Mr. Sachs disclaims beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held of record by or issuable to Charles River Partnership X-B, LLC and Charles River Partnership X-C, LLC.
- (7) Shares consist of 1,654,260 shares of Series B preferred stock held of record by Pequot Private Equity Fund II, L.P. and 889,946 shares of Series B preferred stock issuable to Pequot Private Equity Fund II, L.P. upon conversion of the principal amount of a subordinated convertible promissory note, and the accrued interest thereon, immediately prior to the merger, assuming the merger occurs on September 25, 2001. Michael Karfopoulos is a director of RiverDelta and a principal of Pequot Capital Management, Inc., which serves as the investment manager for Pequot Private Equity Fund II, L.P. Mr. Karfopoulos may be deemed to share beneficial ownership of the shares of Series B preferred stock held of record by or issuable to Pequot Private Equity Fund II, L.P. Mr. Karfopoulos disclaims beneficial ownership of the shares held of record by or issuable to Pequot Private Equity Fund II, L.P., except to the extent of his proportionate pecuniary interest therein.
- (8) Includes 1,500,000 shares of restricted stock issued to Mr. Brown as founder's shares, 875,000 shares of which were vested as of July 27,

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2001, 62,500 shares which will vest within 60 days of July 27, 2001, in accordance with normal vesting provisions, and 281,250 shares which will vest in accordance with

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accelerated vesting provisions upon completion of the merger. 281,250 shares will remain unvested after the acquisition. Also includes 155,853 shares of restricted stock issued to Mr. Brown upon the exercise of stock options, 90,914 shares of which were vested as of July 27, 2001, 6,494 shares which will vest within 60 days of July 27, 2001, in accordance with normal vesting provisions, and 29,222 shares which will vest in accordance with accelerated vesting provisions upon completion of the merger.

- (9) Includes 11,475,00 shares of common stock held directly by Mr. Callan. Also includes 413,565 shares of Series B preferred stock held of record by Mr. Callan and 410,841 shares of Series B preferred stock issuable to Mr. Callan upon conversion of the principal amount of a subordinated convertible promissory note, and accrued interest thereon, immediately prior to the merger.
- (10) Shares consist of restricted stock held of record by Mr. Cozzolino, 509,892 shares of which were vested as of July 27, 2001, 72,842 shares which will vest within 60 days of July 27, 2001, in accordance with normal vesting provisions, and 291,367 shares which will vest in accordance with accelerated vesting provisions upon completion of the merger. 874,100 shares will remain unvested after the acquisition. It is anticipated that Mr. Cozzolino will enter into a retention agreement with Motorola that will provide for additional accelerated vesting of 50% of his unvested shares of restricted stock upon completion of the merger.
- (11) Shares consist of restricted stock held of record jointly by Mr. Walker and his wife, 390,965 shares of which were vested as of July 27, 2001, 45,996 shares which will vest within 60 days of July 27, 2001, in accordance with normal vesting provisions, and 275,975 shares which will vest in accordance with accelerated vesting provisions upon completion of the merger. 390,965 shares will remain unvested after the acquisition. It is anticipated that Mr. Walker will enter into a retention agreement with Motorola that will provide for additional accelerated vesting of 50% of his unvested shares of restricted stock upon completion of the merger.
- (12) Shares consist of restricted stock held of record jointly by Mr. White and his wife, 603,696 shares of which were vested as of July 27, 2001, 57,495 shares which will vest within 60 days of July 27, 2001, in accordance with normal vesting provisions, and 359,343 shares which will vest in accordance with accelerated vesting provisions upon completion of the merger. 359,343 shares will remain unvested after the acquisition. It is anticipated that Mr. White will enter into a retention agreement with Motorola that will provide for additional accelerated vesting of 50% of his unvested shares of restricted stock upon completion of the merger.
- (13) Mr. Dages is a director of RiverDelta. Mr. Dages is also a managing member of Battery Partners V, LLC, the sole general partner of Battery Ventures V, L.P., and thus may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held of record by or issuable to Battery Ventures V, L.P. Battery Investment Partners V, LLC coinvests with Battery Ventures V, L.P. in all portfolio companies. Accordingly, Mr. Dages may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held of record by or issuable to Battery Investment Partners V, LLC. Mr. Dages is also a managing member of Battery Convergence Partners, LLC, the sole general partner of Battery Ventures Convergence Fund, L.P., and thus may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held of record by or issuable to Battery Ventures Convergence Fund, L.P. Mr. Dages disclaims beneficial ownership of the

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shares held of record by or issuable to Battery Ventures V, L.P., Battery Investment Partners V, LLC and Battery Ventures Convergence Fund, L.P., in each case except to the extent of his proportionate pecuniary interest therein.

- (14) Mr. Karfopoulos is a director of RiverDelta. Mr. Karfopoulos is also a principal of Pequot Capital Management, Inc., which serves as the investment manager for Pequot Private Equity Fund II, L.P. Mr. Karfopoulos may be deemed to share beneficial ownership of the shares of Series B preferred stock held of record by or issuable to Pequot Private Equity Fund II, L.P. Mr. Karfopoulos disclaims beneficial ownership of the shares held of record by or issuable to Pequot Private Equity Fund II, L.P., except to the extent of his proportionate pecuniary interest therein.
- (15) Mr. Sachs is a director of RiverDelta. Mr. Sachs is also a managing member of Charles River X GP, LLC, which is the general partner of Charles River Partnership X, a Limited Partnership, and Charles

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River Partnership X-A, a Limited Partnership, and thus may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held of record by or issuable to Charles River Partnership X, a Limited Partnership, and Charles River Partnership X-A, a Limited Partnership. Mr. Sachs is also a limited partner of both Charles River Partnership X, a Limited Partnership, and Charles River Partnership X-A, a Limited Partnership. Mr. Sachs disclaims beneficial ownership of the shares held of record by or issuable to Charles River Partnership X, a Limited Partnership, and Charles River Partnership X-A, a Limited Partnership, in each case except to the extent of his proportionate pecuniary interest therein. Mr. Sachs is neither an officer nor director of Charles River Friends VII, Inc., which is the general partner of Charles River Partnership X-B, LLC and Charles River Partnership X-C, LLC, but does share voting and investment power with respect to Charles River Partnership X-B, LLC and Charles River Partnership X-C, LLC, and thus may be deemed to share beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held of record by or issuable to Charles River Partnership X-B, LLC and Charles River Partnership X-C, LLC. Mr. Sachs disclaims beneficial ownership of the shares of Series A preferred stock and Series B preferred stock held of record by or issuable to Charles River Partnership X-B, LLC and Charles River Partnership X-C, LLC.

- (16) Includes 2,190,733 shares of Series B preferred stock issuable upon conversion of the principal amount of subordinated convertible promissory notes, and accrued interest thereon, immediately prior to the merger, assuming the merger occurs on September 25, 2001.

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### EXPERTS

The consolidated financial statements and schedule of Motorola, Inc. and subsidiaries as of December 31, 2000 and 1999, and for each of the years in the three-year period ended December 31, 2000, incorporated by reference herein, have been audited by KPMG LLP, independent certified public accountants. Such financial statements and schedule have been incorporated by reference herein in reliance upon the reports with respect thereto of KPMG LLP, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

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### LEGAL AND TAX MATTERS

The validity of the shares of Motorola common stock to be issued in connection with the merger is being passed upon for Motorola by Jeffrey A. Brown, Esq., Senior Corporate Counsel, Corporate Law Department. As of August 1, 2001, Mr. Brown owned 1,500 shares of Motorola common stock and held options to purchase an additional 27,400 shares of Motorola common stock (of which 5,375 were exercisable).

Certain of the tax consequences of the merger will be passed upon at the effective time of the merger by KPMG LLP, tax advisor to Motorola, and by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel to RiverDelta. See "The Merger Agreement--Conditions to the Merger" on page 47. A member of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. owns 600,000 shares of RiverDelta common stock.

### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. Such statements are identified by the use of forward-looking words or phrases including, but not limited to, "intended," "will be positioned," "expects," "expected," "anticipates," and "anticipated." These forward-looking statements are based on current expectations of Motorola or RiverDelta, as the case may be. All statements other than statements of historical facts included in this proxy statement/prospectus, including those regarding the financial position, results of operations, cash flows, business strategy, projected costs, growth opportunities for existing products, benefits from new technology and plans and objectives of management for future operations of Motorola or RiverDelta, as the case may be, are forward-looking statements. Although Motorola or RiverDelta believes that the expectations of Motorola or RiverDelta, as the case may be, reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to have been correct. Because forward-looking statements involve risks and uncertainties, the actual results of Motorola and RiverDelta, as the case may be, could differ materially. Important factors that could cause actual results to differ materially from the expectations of Motorola or RiverDelta, as the case may be ("Cautionary Statements"), are disclosed under "Risk Factors--Risks Relating to the Merger," on page 15, "The Merger--Motorola's Reasons for the Merger," on page 25, "The Merger--RiverDelta's Reasons for the Merger," on page 25, and elsewhere in this proxy statement/prospectus and in the SEC filings by Motorola listed on page 73. These forward-looking statements represent the judgment of Motorola or RiverDelta, as the case may be, as of the date of this proxy statement/prospectus. All subsequent written and oral forward-looking statements attributable to Motorola or RiverDelta or persons acting on behalf of Motorola or RiverDelta are expressly qualified in their entirety by the Cautionary Statements. Motorola and RiverDelta disclaim, however, any intent or obligation to update their respective forward-looking statements.

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### WHERE YOU CAN FIND MORE INFORMATION

Motorola files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information Motorola files at the SEC's public reference rooms at the following locations:

Public Reference Room 450 Fifth Street, N.W. Room 1024 Washington, D.C. 20549

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New York Regional Office 7 World Trade Center  
Suite 1300 New York, NY 10048

Chicago Regional  
Office Citicorp  
Center 500 West  
Madison Street  
Suite 1400  
Chicago, IL  
60661-2511

Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Motorola's SEC filings are also available to the public from commercial document retrieval services and at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

Motorola filed a registration statement on Form S-4 to register with the SEC the Motorola common stock to be issued to RiverDelta stockholders in the merger. This proxy statement/prospectus is a part of the Motorola registration statement and constitutes both a prospectus of Motorola and a proxy statement of RiverDelta for its special meeting.

As allowed by SEC rules, this proxy statement/prospectus does not contain all the information you can find in the Motorola registration statement or the exhibits to the Motorola registration statement. You may obtain copies of the registration statement in the manner described above.

The SEC allows us to "incorporate by reference" information into this proxy statement/prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information superseded by information contained directly in this proxy statement/prospectus. This proxy statement/prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC.

These documents contain important information about Motorola and its financial condition.

Motorola SEC Filings (File No. 1-07221)	Period
Annual Report on Form 10-K.....	Year ended December 31, 2000
Quarterly Report on Form 10-Q.....	Quarter Ended March 31, 2001
Quarterly Report on Form 10-Q.....	Quarter Ended June 30, 2001
Current Report on Form 8-K.....	Dated April 3, 2001
Proxy Statement.....	Dated March 30, 2001

The description of Motorola's common stock contained in its Registration Statement on Form 8-B dated July 2, 1973, including any amendments or reports filed for the purpose of updating such description.

The description of the Rights contained in its Registration Statement on Form 8-A dated November 5, 1998, including any

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amendment or report filed for the purpose of updating such description.

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Motorola also incorporates by reference into this proxy statement/prospectus additional documents that may be filed with the SEC from the date of this proxy statement/prospectus to the date of the special meeting of RiverDelta stockholders under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act. These include periodic reports, such as Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements.

Motorola has supplied all information contained or incorporated by reference in this proxy statement/ prospectus relating to Motorola, and RiverDelta has supplied all such information relating to RiverDelta.

If you are already a Motorola stockholder, we may already have sent you some of the documents incorporated by reference, but you can obtain any of them through us, the SEC or the SEC's website as described above. Documents incorporated by reference are available from us without charge, excluding all exhibits unless we have specifically incorporated by reference an exhibit in this proxy statement/prospectus. Stockholders may obtain documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses:

Motorola, Inc.  
1303 East Algonquin Road  
Schaumburg, Illinois 60196  
Tel: (800) 262-8509  
Attn.: Investor Relations

You may also obtain information from Motorola's website:  
[www.motorola.com/investor](http://www.motorola.com/investor).

If you would like to request documents from us, please do so by [      ], 2001 to receive them before the RiverDelta special meeting.

RiverDelta is a privately held corporation that is not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and therefore does not incorporate information in this proxy statement/ prospectus by reference unless such information appears in an Appendix to this proxy statement/prospectus.

You should rely only on the information contained or incorporated by reference in this proxy statement/ prospectus to vote on the transactions. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement/prospectus. This proxy statement/prospectus is dated August 15, 2001. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than that date, and neither the mailing of this proxy statement/prospectus to stockholders nor the issuance of Motorola common stock in the merger shall create any implication to the contrary.

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AGREEMENT AND PLAN OF MERGER  
among  
MOTOROLA, INC.,  
BAYOU MERGER SUB, INC.  
and  
RIVERDELTA NETWORKS, INC.  
Dated as of July 11, 2001

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AGREEMENT AND PLAN OF MERGER, dated as of July 11, 2001 (this "Agreement"), among MOTOROLA, INC., a Delaware corporation ("Parent"), BAYOU MERGER SUB, INC., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"), and RIVERDELTA NETWORKS, INC. a Delaware corporation (the "Company").

WHEREAS, upon the terms and subject to the conditions of this Agreement and in accordance with the General Corporation Law of the State of Delaware ("Delaware Law"), Parent, Merger Sub and the Company will consummate a business combination transaction pursuant to which Merger Sub will merge with and into the Company (the "Merger");

WHEREAS, the Board of Directors of the Company (i) has determined that the Merger is fair to, and in the best interests of, the Company and its stockholders and has approved and declared advisable this Agreement, the Merger and the other transactions contemplated by this Agreement and (ii) has recommended the adoption of this Agreement by the stockholders of the Company;

WHEREAS, the Board of Directors of Merger Sub has approved this Agreement, the Merger and the other transactions contemplated by this Agreement;

WHEREAS, certain of the Stockholders (as defined in Section 1.01 below) have, on the date hereof, entered into the Voting Agreement attached hereto as Exhibit A pursuant to which they have, among other things, granted to Parent an irrevocable proxy with respect to the Company Shares (as defined in Section 1.01 below) for purposes of signing a written consent or voting at any meeting to approve this Agreement and in favor of any matter relating to the consummation of the transactions contemplated by this Agreement;

WHEREAS, the holders of Convertible Promissory Notes and Warrants (each as defined in Section 1.01 below) have agreed pursuant to an agreement in the form attached as Exhibit C hereto (the "Bridge Holders Agreement"), dated as of the date hereof, that immediately prior to the Effective Time the Convertible Promissory Notes will be converted into Series B Preferred Shares (as defined in Section 3.03) in the manner set forth in the Bridge Holders Agreement and that the related Warrants shall be cancelled without any payment due thereunder;

WHEREAS, as fully described herein and in the Escrow Agreement (as defined in Section 3.02), a specified percentage of the shares of Parent Common Stock to be received by the Stockholders shall be placed in escrow to satisfy any indemnification claims arising after the Effective Time; and

WHEREAS, for United States federal income tax purposes, the Merger is intended to qualify as a reorganization under the provisions of section 368(a) of the United States Internal Revenue Code of 1986, as amended (the "Code"), and the rules and regulations promulgated thereunder (the "Reorganization").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, and intending to be legally bound hereby, the parties to this Agreement hereby agree as follows:

### ARTICLE I

#### Definitions

Section 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Action" means any claim, action, suit, litigation, arbitration, inquiry, proceeding or investigation by or before any Governmental

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Authority.

"affiliate" of a specified person means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified person.

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"Aggregate Consideration" means (a) \$300 million minus (b) the sum of (i) the liquidation preference of each share of Series B Preferred Stock determined in accordance with Article Fourth (B) (1) (a) (i) (2) of the Certificate of Incorporation of the Company multiplied by the total number of issued and outstanding shares of Series B Preferred Stock immediately prior to the Effective Time and (ii) the Company Debt on the Cut-Off Date, plus (c) the Surplus, if any, plus (d) Cash Capital Expenditures in an amount not to exceed \$1,000,000 minus (e) the Deficiency, if any, plus (f) Cash on the Cut-Off Date, plus (g) the aggregate exercise price of vested and unvested "in the money" Company Options without giving effect to any repricing or option cancellation in connection with the Retention Plan (the "Exercise Amount") plus (h) the amount of Retention/Integration Expenses actually paid from the date hereof through the Closing Date.

"April 30, 2001 Balance Sheet" means the unaudited consolidated balance sheet of the Company and the Company Subsidiaries, dated as of April 30, 2001, a copy of which is set forth in Section 4.05 of the Disclosure Schedule.

"Average Closing Price" means the average of the per share closing prices on the NYSE Composite Tape of shares of Parent Common Stock during the 20 consecutive trading days ending on (and including) the second trading day immediately preceding the Closing Date.

"business day" means any day on which banks are not required or authorized to close in The City of New York.

"Cash" means cash, cash equivalents, deposits for collateral on letters of credit and the principal and interest owed on loans to stockholders secured by the Stock Pledge Agreements.

"Cash Capital Expenditures" means, from the date hereof through the Closing Date, the amount of any capital expenditures by the Company as would be recorded on a cash flow statement prepared in accordance with U.S. GAAP, except to the extent the purchase price of such capital expenditures are included in the accounts payable balance on the date of Closing and except to the extent such capital expenditures are funded through capital leases.

"Closing Balance Sheet" means the audited consolidated balance sheet of the Company and the Company Subsidiaries dated as of the Closing Date.

"Company Accountants" means Arthur Andersen LLP or after the Effective Time an accounting firm selected by the Stockholders' Representative.

"Company Debt" means, as of any given date, the amount of any indebtedness for borrowed money of the Company and the Company Subsidiaries, including, without limitation, the Company Loan Amount and the principal and accrued interest outstanding under the Credit Agreement.

"Company Employees" means the employees of the Company listed in Section 1.01(a) (i), Section 1.01(a) (ii) or Section 1.01(a) (iii) of the Disclosure Schedule.

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"Company Expenses" means fees and expenses incurred by the Company or any Company Subsidiary for the retention of advisors in connection with the transactions contemplated by this Agreement, including, without limitation, the fees and expenses of CSFB, Company's counsel and accountants.

"Company Loan Amount" means the principal and accrued interest under the Loan and Security Agreement between Silicon Valley Bank and the Company dated as of June 30, 2000 and amended as of November 29, 2000 and as of May 31, 2001.

"Company Material Adverse Effect" means any event, circumstance, change or effect that, individually or in the aggregate with all other events, circumstances, changes or effects, is or is reasonably expected to be materially adverse to the business, operations, assets or liabilities, or results of operations of the Company and the Company Subsidiaries taken as a whole (other than changes that result from economic factors affecting the economy as a whole or changes that are the result of factors generally

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affecting the industries in which Parent and the Company operate); provided, however, that Company Material Adverse Effect does not include losses of customers, suppliers, or Distribution Channel Partners of the Company resulting from the announcement of this Agreement.

"Company Shares" means, collectively, the Company Common Shares, the Series A Preferred Shares and the Series B Preferred Shares.

"Competing Transaction" means any of the following involving the Company (other than the Merger and the other transactions contemplated by this Agreement): (a) a merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or other similar transaction; (b) any sale, lease, exchange, transfer or other disposition of 20% or more of the assets of the Company and the Company Subsidiaries, taken as a whole; or (c) an acquisition of 20% or more of the outstanding voting securities of the Company.

"Confidentiality Agreement" means the Confidentiality Agreement dated May 1, 2000 between the Company and Parent.

"control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise.

"Convertible Promissory Notes" means the Subordinated Convertible Promissory Notes of the Company dated February 7, 2001 and the Subordinated Convertible Promissory Note of the Company dated May 16, 2001.

"Credit Agreement" means the credit agreement dated as of the date hereof between Parent and the Company.

"Credit Agreement Note" means the promissory note issued by the Company to Parent under the Credit Agreement.

"Cut-Off Date" means the earlier of October 15, 2001 and the Closing Date.

"Disclosure Schedule" means the Disclosure Schedule attached hereto,

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dated as of the date hereof, and forming a part of this Agreement.

"Distribution Channel Partner" means a person that is a party to an agreement with the Company providing for the marketing, distribution, sale or resale of the Company's products by such other person, regardless of whether such product is a component or a separate product, including, but not limited to, OEM, VAR, distributor, sales agency, sales representative and co-marketing agreements.

"Encumbrance" means any security interest, pledge, mortgage, lien (including, without limitation, environmental and tax liens), charge, encumbrance, adverse claim, preferential arrangement or restriction of any kind, including, without limitation, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

"Environmental, Health, and Safety Requirements" shall mean all federal, state, local and non-United States statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, including, without limitation, all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or by-products, asbestos, polychlorinated biphenyls, noise or radiation, each as amended and as now or hereafter in effect.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

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"Escrow Agent" means Harris Trust and Savings Bank.

"Escrow Fund" means the number of shares of Parent Common Stock that Parent will deposit with the Escrow Agent at Closing in accordance with this Agreement and the Escrow Agreement equal to 10% of the total number of shares of Parent Common Stock to be issued to the holders of each of Company Common Shares, Series A Preferred Shares and Series B Preferred Shares including, without limitation, Series B Preferred Shares issued pursuant to the Bridge Holders Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fully Diluted Shares" means (a) the total number of Company Common Shares outstanding immediately prior to the Effective Time (excluding treasury stock) plus (b) the total number of Company Common Shares that the Series A Preferred Shares are convertible into in accordance with the Certificate of Incorporation plus (c) the number of Company Common Shares that are issuable upon the exercise of the "in the money" Company Options without giving effect to any repricing of options, grant of restricted stock or unrestricted stock or options, or option cancellation in connection with the Retention Plan.

"Governmental Authority" means any United States federal, state or local or any non-United States government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or

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judicial or arbitral body.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Hazardous Material" means (a) petroleum and petroleum products, by-products or breakdown products, radioactive materials, radon, asbestos-containing materials and polychlorinated biphenyls and (b) any other chemicals, materials or substances defined or regulated as toxic or hazardous or as a pollutant, contaminant or waste under any applicable Environmental Law.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

"in the money" means at an exercise price less than Per Share Price.

"Indebtedness" means (a) indebtedness for borrowed money, (b) obligations evidenced by bonds, notes, debentures or other similar instruments or by letters of credit, including purchase money obligations or other obligations relating to the deferred purchase price of property (other than trade payables incurred in the ordinary course of business), (c) obligations as lessee under leases that have been or should have been, in accordance with U.S. GAAP, recorded as capital leases, (d) obligations under direct or indirect guaranties in respect of Liabilities of others and (e) accrued interest, if any, on and all other amounts owed in respect of any of the foregoing.

"Investor Rights Agreement" means the First Amended and Restated Investor Rights Agreement dated March 22, 2000 among the Company and certain Stockholders, as amended pursuant to the amendment dated February 7, 2001.

"knowledge" means, when used with respect to the Company, the actual knowledge, after reasonable inquiry, of Jon Benett, Michael Brown, David Callan, Weidong Chen, Joe Cozzolino, Raj Duggal, Jerry Guo, Bob Kelly, Zhao Liu, Swarup Sahoo, Jeff Walker, and Gerry White.

"Law" means any United States federal, state, local or non-United States statute, law, ordinance, regulation, rule, code, Governmental Order or other requirement or rule of law.

"Leased Real Property" means the real property and interests in real property leased or subleased by the Company or any Company Subsidiary, as tenant, together with, to the extent leased by the Company or any Company Subsidiary, all buildings and other structures, facilities or improvements currently or hereafter located thereon, all fixtures, systems, equipment and items of personal property of the Company or any Company Subsidiary attached or appurtenant thereto, and all easements, licenses, rights and appurtenances relating to the foregoing.

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"Liabilities" means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including, without limitation, those arising under any Law, Action or Governmental Order, and those arising under any contract, agreement, arrangement, commitment or undertaking.

"Net Working Capital" means the current assets minus current liabilities

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(including Company Expenses) of the Company and the Company Subsidiaries, shown on any specified balance sheet of the Company and the Company Subsidiaries; provided, however, the foregoing amount shall not include principal and accrued interest under the Convertible Promissory Notes, the Company Debt, Cash, the accrued or incurred and unpaid Retention/Integration Expenses, in each case as of the date of such balance sheet.

"NYSE" means New York Stock Exchange, Inc.

"Owned Real Property" means the real property and interests in real property owned in fee by the Company or any Company Subsidiary, together with all buildings and other structures, facilities or improvements currently or hereafter located thereon, all fixtures, systems, equipment and items of personal property of the Company or any Company Subsidiary attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing.

"Parent Accountants" means KPMG LLP.

"Parent Material Adverse Effect" means any event, circumstance, change or effect that, individually or in the aggregate with all other events, circumstances, changes or effects, is or is reasonably expected to be materially adverse to the business, operations, assets or liabilities or results of operations of Parent and the Parent Subsidiaries taken as a whole (other than changes that result from economic factors affecting the economy as a whole or changes that are the result of factors generally affecting the industries in which Parent and the Company operate).

"Parent Subsidiary" means each Significant Subsidiary (as defined in Rule 405 promulgated under the Securities Act) of Parent.

"Per Share Price" means (i) the Aggregate Consideration divided by (ii) the Fully Diluted Shares.

"Permitted Encumbrances" means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) liens for taxes, assessments and governmental charges or levies not yet due and payable; (b) Encumbrances imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's liens and other similar liens arising in the ordinary course of business securing obligations that (i) are not overdue for a period of more than 30 days and (ii) are not in excess of \$50,000 in the case of a single property or \$100,000 in the aggregate at any time; (c) pledges or deposits to secure obligations under worker's compensation laws or similar legislation or to secure public or statutory obligations; and (d) minor survey exceptions, reciprocal easement agreements and other customary encumbrances on title to real property that (i) were not incurred in connection with any Indebtedness, (ii) do not render title to the property encumbered thereby unmarketable and (iii) do not, individually or in the aggregate, materially adversely affect the value or use of such property for its current and anticipated purposes.

"person" means an individual, corporation, partnership, limited partnership, limited liability company, syndicate, group, trust, association or other organization or entity or government, political subdivision, agency or instrumentality of a government.

"Post-Closing Adjustment" means the sum of the adjustments provided for in Section 3.09(d) (i)-(v).

"Real Property" means the Leased Real Property and the Owned Real

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Property.

"Release" means disposing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, seeping, placing and the like into or upon any land or water or air or otherwise entering into the environment.

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"Remedial Action" means all action to (a) clean up, remove, treat or handle in any other way Hazardous Materials in the environment, (b) restore or reclaim the environment or natural resources, (c) prevent the Release of Hazardous Materials so that they do not migrate, endanger or threaten to endanger public health or the environment, or (d) perform remedial investigations, feasibility studies, corrective actions, closures and post-remedial or post-closure studies, investigations, operations, maintenance and monitoring on, about or in any Real Property.

"Retention Agreements" means written agreements between the Company and the Company Employees relating to the employment and compensation of the Company Employees that are mutually acceptable to Parent and the Company and the affected Company Employee and consistent with the Retention Plan.

"Retention/Integration Expenses" means expenses incurred by the Company upon the written request of Parent in connection with the Retention Plan or the integration of the Company and Parent.

"Retention Plan" means those actions, arrangements and agreements related to the employment and compensation of the Company Employees and the other employees of the Company as are mutually and reasonably agreed to be implemented by the Company and Parent, as promptly as practicable after the date hereof, including, but not limited to, (i) any option or restricted stock agreement (ii) any retention bonuses (iii) any repricing, acceleration or other amendment of any option or restricted stock agreement, (iv) any termination of employment or other action related to employment outside of the ordinary course of business that is authorized by Parent in writing, and (v) the Retention Agreements; provided, however, that the Retention Plan shall not include any arrangement or agreement that would disqualify the Reorganization or prevent the issuances of the opinions referred to in Section 7.05 of this Agreement.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Software" means all computer software (a) material to the business of the Company and the Company Subsidiaries or (b) distributed, sold, licensed or marketed by the Company or any Company Subsidiary.

"Stockholders" means holders of Company Shares after giving effect to the conversion of the Convertible Promissory Notes into Series B Preferred Stock.

"Stockholders' Representative" means Todd Dagres.

"Stock Option Agreements" means the various agreements between the Company and certain of its employees, consultants and advisors pursuant to which such persons have received restricted shares of Company Stock and options to acquire shares of Company Stock, in each case listed on Section 4.03(b) of the Disclosure Schedule.

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"Stock Pledge Agreements" means the Stock Pledge Agreements between the Company and Joseph Cozzolino dated May 9, 2000, between the Company and Sal Turnello dated July 12, 2000, and between the Company and Brian Bentley dated as June 12, 2000.

"Stock Repurchase Rights" means the right of the Company to repurchase restricted shares of Company Stock pursuant to various Stock Option Agreements between the Company and various employees.

"subsidiary" of any person has the meaning set forth in Rule 405 promulgated under the Securities Act.

"Tax" or "Taxes" means any federal, state, local or non-United States net or gross income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium (including taxes under Code (S) 59A), customs duties, capital stock, franchise, profits, withholding, social security (or National Insurance Contribution or similar), unemployment, disability, real property, personal property,

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sales, use, transfer, gains, capital gains, registration, goods and services, value-added, alternative or add-on minimum, windfall profits, estimated or other tax, governmental fee or like assessment or charge of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not, imposed by any Governmental Authority or other Tax authority or arising under any Tax law or agreement, including, without limitation, any joint venture or partnership agreement. For purposes of the definition of Tax, any interest, penalties, additions to tax or additional amounts that relate to taxes for any period, or a portion of any period, ended on or before the Closing Date shall include any interest, penalties, additions to tax, or additional amounts relating to taxes for such periods, regardless of whether such items are incurred, accrued, assessed or similarly charged on, before or after the Closing Date.

"Tax Return" shall mean any return, declaration, report, claim for refund, form, or information or return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendments thereof.

"Transaction Documents" means this Agreement, the Disclosure Schedule, the Transmittal Letter, the Company Affiliate Agreement, the Voting Agreement, the Bridge Holders Agreement, the Credit Agreement, the Credit Agreement Note and the Escrow Agreement.

"U.S. GAAP" means United States generally accepted accounting principles and practices applied consistently throughout the periods involved.

"Warrants" means the Warrants dated December 12, 2000 to purchase shares of Series C Convertible Preferred Stock of the Company.

Section 1.02. Additional Defined Terms. The following terms have the meanings set forth in the Sections set forth below:

Definition -----	Location -----
Agreement	Preamble
Assumed Company Options	(S) 3.06(a)

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Blue Sky Laws	(S) 5.03 (c)
Bridge Holders Agreement	Recitals
CERCLA	(S) 4.16 (a)
Certificate	(S) 3.04 (a)
Certificate of Merger	(S) 3.02 (a)
Certificates	(S) 3.04 (a)
Closing	(S) 3.01
Closing Date	(S) 3.01
Code	Recitals
Common Stock Exchange Ratio	(S) 3.03 (a)
Common Stock Merger Consideration	(S) 3.03 (a)
Company	Preamble
Company Affiliate Agreement	Recitals
Company Common Stock	(S) 3.03 (a)
Company Common Shares	(S) 3.03 (a)
Company Employment Agreements	Recitals
Company Intellectual Property	(S) 4.10 (a)
Company Licenses	(S) 4.10 (l)
Company Options	(S) 3.06
Company Permits	(S) 4.08
Company Software	(S) 4.10 (a)
Company Stock Option Plans	(S) 3.06
Company Subsidiary	(S) 4.02
CSFB	(S) 4.21
Customers	(S) 4.12
Deficiency	(S) 3.09 (a)

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Definition	Location
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Delaware Law	Recitals
Disclosure Documents	(S) 7.09 (d)
Dissenting Shares	(S) 3.07
Effective Time	(S) 2.02
Escrow Agreement	(S) 3.02 (d)
Estimated Balance Sheet	(S) 3.09 (a)
Excess Shares	(S) 3.04 (d)
Exchange Agent	(S) 3.04 (a)
Exchange Agreement	(S) 3.04 (a)
Exchange Fund	(S) 3.04 (a)
Excluded Licenses	(S) 4.10 (a)
Financial Statements	(S) 4.05 (a)
Indemnified Party	(S) 9.02 (a)
Indemnifying Parties	(S) 9.02 (a)
Independent Accounting Firm	(S) 3.09 (c)
Intellectual Property	(S) 4.10 (a)
IRS	(S) 4.15 (b)
Leases	(S) 4.07 (b)
Losses	(S) 9.02 (a)
Material Contracts	(S) 4.09 (a)
Merger	Recitals
Merger Sub	Preamble
Non-U.S. Benefit Plan	(S) 4.13 (f)
Option Spread	(S) 3.06 (b)
Parent	Preamble
Parent Common Stock	Recitals

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Parent Preferred Stock	(S) 5.04
Parent Rights Plan	(S) 3.08
Parent SEC Reports	(S) 5.05 (a)
Plans	(S) 4.13 (a)
Pro Rata Factor	(S) 9.02 (f)
Proprietary Rights Agreement	(S) 4.13 (h)
Ratable Share	(S) 9.02 (f)
RCRA	(S) 4.16 (a)
Registered Intellectual Property	(S) 4.10 (a)
Registration Statement	(S) 7.09 (a)
Requisite Stockholder Approval	(S) 4.19
Reorganization	Recitals
SEC	(S) 7.08 (a)
Series A Preferred Shares	(S) 3.03 (b)
Series A Preferred Stock	(S) 3.03 (b)
Series A Preferred Stock Exchange Ratio	(S) 3.03 (b)
Series A Preferred Stock Merger Consideration	(S) 3.03 (b)
Series B Preferred Shares	(S) 3.03 (c)
Series B Preferred Stock	(S) 3.03 (c)
Series B Preferred Stock Exchange Ratio	(S) 3.03 (c)
Series B Preferred Stock Merger Consideration	(S) 3.03 (c)
Surplus	(S) 3.09 (a)
Surviving Corporation	(S) 2.01
SWDA	(S) 4.16 (a)
2001 Budget	(S) 6.01 (b)

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### ARTICLE II

#### The Merger

Section 2.01. The Merger. Upon the terms and subject to the conditions set forth in Article VIII, and in accordance with Delaware Law, at the Effective Time, Merger Sub shall be merged with and into the Company. As a result of the Merger, the separate corporate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation of the Merger (the "Surviving Corporation").

Section 2.02. Effective Time. The Merger shall become effective on such date and at such time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware or at such later time as may be agreed in writing by each of the parties hereto and specified in the Certificate of Merger (the "Effective Time").

Section 2.03. Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of Delaware Law. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of each of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions, disabilities and duties of each of the Company and Merger Sub shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation.

Section 2.04. Certificate of Incorporation; By-laws. (a) At the Effective Time, the Certificate of Incorporation of the Company, as in effect immediately prior to the Effective Time, shall be amended and restated to contain the provisions set forth in the Certificate of Incorporation of Merger Sub, as in effect immediately prior to the Effective Time. Such Certificate of

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Incorporation, as so amended, shall be the Certificate of Incorporation of the Surviving Corporation until thereafter amended as provided by law and such Certificate of Incorporation.

(b) At the Effective Time, the By-laws of Merger Sub, as in effect immediately prior to the Effective Time, shall be the By-laws of the Surviving Corporation until thereafter amended as provided by law, the Certificate of Incorporation of the Surviving Corporation and such By-laws.

Section 2.05. Directors and Officers. The directors of Merger Sub immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the Certificate of Incorporation and By-laws of the Surviving Corporation, and the persons whose names and titles are set forth on Schedule 2.05 shall be the initial officers of the Surviving Corporation, in each case until their respective successors are duly elected or appointed and qualified.

### ARTICLE III

#### Closing; Conversion of Securities; Exchange of Certificates

Section 3.01. Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Shearman & Sterling, 599 Lexington Avenue, New York, New York at 10:00 a.m. on the third business day following satisfaction or waiver of all of the closing conditions set forth in Article VIII hereof (other than those conditions that will be satisfied at the Closing) or on such other date as may be mutually agreed by Parent and the Company. The date and time of the Closing are herein referred to as the "Closing Date".

Section 3.02. Closing Transactions. At the Closing,

(a) the Company and Merger Sub shall cause a certificate of merger (the "Certificate of Merger") to be executed, acknowledged and filed with the Secretary of State of the State of Delaware in such form and such

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manner as is required by the relevant provisions of Delaware Law and make all other filings or recordings required by Delaware Law in connection with the Merger;

(b) Parent and the Company shall deliver to each other the certificates required by Article VIII and, unless delivered prior to Closing, other documents required to be delivered hereunder prior to the Effective Time; and

(c) Parent and the Stockholders' Representative shall enter into an Escrow Agreement with the Escrow Agent substantially in the form of Exhibit 3.02 (the "Escrow Agreement"), and, in accordance with the terms of the Escrow Agreement, Parent shall deposit the Escrow Fund with the Escrow Agent to be managed and distributed by the Escrow Agent in accordance with the Escrow Agreement.

Section 3.03. Conversion of Securities. At the Effective Time, by virtue of the Merger and without any action on the part of Merger Sub, the Company or the holders thereof:

(a) each share of common stock, par value \$.01 per share, of the Company issued and outstanding immediately prior to the Effective Time, other than shares to be cancelled pursuant to Section 3.03(d) (the "Company Common Stock"; all such issued and outstanding shares of the Company Common Stock, other than shares of Company Common Stock to be cancelled pursuant to Section 3.03(d),

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being collectively referred to as the "Company Common Shares") and other than any Dissenting Shares, shall be cancelled and shall be converted, subject to Section 3.04(d), into the right to receive such number of shares of Parent Common Stock (the "Common Stock Exchange Ratio") as shall equal the quotient of (i) the Per Share Price divided by (ii) the Average Closing Price (the "Common Stock Merger Consideration");

(b) each share of Series A preferred stock, par value \$.01 per share, of the Company issued and outstanding immediately prior to the Effective Time, other than shares to be cancelled pursuant to Section 3.03(d) (the "Series A Preferred Stock"; all such issued and outstanding shares of the Series A Preferred Stock being collectively referred to as the "Series A Preferred Shares") and other than any Dissenting Shares, shall be converted into the right to receive such number of shares of Parent Common Stock (the number of shares of Parent Common Stock to be issued with respect to each Series A Preferred Share, being the "Series A Preferred Stock Exchange Ratio") as shall equal the quotient of (i) (A) the Per Share Price multiplied by (B) the number of Company Common Shares that each Series A Preferred Share is convertible into in accordance with the Certificate of Incorporation of the Company divided by (ii) the Average Closing Price (the "Series A Preferred Stock Merger Consideration");

(c) each share of Series B preferred stock, par value \$.01 per share, of the Company issued and outstanding immediately prior to the Effective Time, including, without limitation, shares issued pursuant to the Bridge Holders Agreement, other than shares to be cancelled pursuant to Section 3.03(d) (the "Series B Preferred Stock"; all such issued and outstanding shares of the Series B Preferred Stock being collectively referred to as the "Series B Preferred Shares") and other than any Dissenting Shares, shall be converted into the right to receive such number of shares of Parent Common Stock (the number of shares of Parent Common Stock to be issued with respect to each Series B Preferred Share, being the "Series B Preferred Stock Exchange Ratio") as shall equal the quotient of (i) the liquidation preference of each Series B Preferred Share determined in accordance with Article Fourth (B) (1) (a) (i) (2) of the Certificate of Incorporation of the Company divided by (ii) the Average Closing Price (the "Series B Preferred Stock Merger Consideration");

(d) each Company Share held in the treasury of the Company and each Company Share owned by Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company immediately prior to the Effective Time shall be cancelled and retired and shall cease to exist without any conversion thereof and no payment or distribution shall be made with respect thereto; and

(e) each share of common stock, par value \$.01 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and nonassessable share of common stock, par value \$.01 per share, of the Surviving Corporation.

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If between the date of this Agreement and the Effective Time the outstanding shares of Parent Common Stock shall have been changed into a different number of shares or a different class by reason of any stock dividend (including dividends or distributions of securities convertible into shares of Parent Common Stock), subdivision, reorganization, reclassification, recapitalization, split, combination or exchange of shares, the Common Stock Exchange Ratio, the Series A Preferred Stock Exchange Ratio and the Series B Preferred Stock Exchange Ratio shall be correspondingly adjusted to the extent appropriate to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares.

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Section 3.04. Exchange of Certificates. (a) Exchange Agent. As of the Effective Time, Parent shall deposit, or shall cause to be deposited, with Harris Trust and Savings Bank or another bank or trust company designated by Parent and reasonably satisfactory to the Company (the "Exchange Agent"), for the benefit of the Stockholders for exchange in accordance with this Article III certificates representing the shares of Parent Common Stock issuable pursuant to Section 3.03 as of the Effective Time, and any dividends or distributions with respect thereto (such dividends and certificates for shares of Parent Common Stock, being hereinafter referred to as the "Exchange Fund"). The Exchange Agent shall deliver the Parent Common Stock contemplated to be issued pursuant to Section 3.03 out of the Exchange Fund in accordance with the terms of the Exchange Agreement to be entered into on the Effective Date between Parent and the Exchange Agent in a form reasonably acceptable to the Stockholder Representative (the "Exchange Agreement"). Parent shall cause the Exchange Agent to mail, within five business days after the Effective Time, to each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding Company Shares (other than Company Shares that shall be cancelled pursuant to Section 3.03(d)) (each, a "Certificate" and, collectively, the "Certificates"), (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent) substantially in the form of Exhibit D with such changes as proposed by Parent and approved by the Stockholder Representative, such approval not to be unreasonably withheld and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of Parent Common Stock. Upon surrender of a Certificate for cancellation to the Exchange Agent together with such letter of transmittal, duly executed, and such other documents as may be required pursuant to such instructions, the holder of such Certificate shall be entitled to receive in exchange therefor (x) a certificate representing that number of whole shares of Parent Common Stock which such holder has the right to receive in respect of the Company Shares formerly owned by such holder reduced by the number of shares of Parent Common Stock that will be delivered to the Escrow Agent as part of the Escrow Fund in accordance with the terms of this Agreement and the Escrow Agreement, (y) cash in lieu of fractional shares of Parent Common Stock to which such holder is entitled pursuant to Section 3.04(d), and (z) any dividends or other distributions to which such holder is entitled pursuant to Section 3.04(b), and the Certificate so surrendered shall forthwith be canceled. No interest will be paid or accrued on any cash in lieu of fractional shares or on any unpaid dividends and distributions payable to holders of Certificates. In the event of a transfer of ownership of Company Shares which is not registered in the transfer records of the Company, a certificate representing the proper number of shares of Parent Common Stock may be issued to a transferee if the Certificate representing such Company Shares is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 3.04, each Certificate shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender the certificate representing shares of Parent Common Stock to which such Stockholder is entitled hereunder, cash in lieu of any fractional shares of Parent Common Stock to which such Stockholder is entitled pursuant to Section 3.04(d) and any dividends or other distributions to which such holder is entitled pursuant to Section 3.04(b).

(b) Distributions with Respect to Unexchanged Shares of Parent Common Stock. No dividends or other distributions declared or made after the Effective Time with respect to the Parent Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of Parent Common Stock represented thereby, and no cash payment in lieu of any fractional shares shall be paid to any such holder

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pursuant to Section 3.04(d), until the holder of such Certificate shall surrender such

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Certificate. Subject to the effect of escheat, tax or other applicable Laws, following surrender of any such Certificate, there shall be paid to the holder of the certificates representing whole shares of Parent Common Stock issued in exchange therefor, without interest, (i) promptly, the amount of any cash payable with respect to a fractional share of Parent Common Stock to which such holder is entitled pursuant to Section 3.04(d) and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock and (ii) at the appropriate payment date, the amount of dividends or other distributions, with a record date after the Effective Time but prior to surrender and a payment date occurring after surrender, payable with respect to such whole shares of Parent Common Stock.

(c) No Further Rights in Company Common Stock. All shares of Parent Common Stock issued upon conversion of the Company Shares in accordance with the terms hereof (including any cash paid pursuant to Section 3.04(b) or (d) and any additional shares of Parent Common Stock issued pursuant to Section 3.09) shall be deemed to have been issued in full satisfaction of all rights pertaining to such Company Shares.

(d) No Fractional Shares. (i) No certificates or scrip representing fractional shares of Parent Common Stock shall be issued upon the surrender for exchange of Certificates, no dividend or distribution with respect to Parent Common Stock shall be payable on or with respect to any fractional share and such fractional share interests will not entitle the owner thereof to vote or to any other rights of a stockholder of Parent.

(ii) As promptly as practicable after the Effective Time, the Exchange Agent shall determine the excess of (A) the number of full shares of Parent Common Stock delivered to the Exchange Agent by Parent pursuant to Section 3.04(a) over (B) the aggregate number of full shares of Parent Common Stock to be distributed to holders of Company Shares pursuant to Section 3.04(a) (such excess being herein called the "Excess Shares"). As soon as practicable after the Effective Time, the Exchange Agent, as agent for such holders of Parent Common Stock, shall sell the Excess Shares at then prevailing prices on the NYSE, all in the manner provided in paragraph (iii) of this Section 3.04(d).

(iii) The sale of the Excess Shares by the Exchange Agent shall be executed on the NYSE through one or more member firms of the NYSE and shall be executed in round lots to the extent practicable. Until the net proceeds of any such sale or sales have been distributed to such holders of Company Shares, the Exchange Agent will hold such proceeds in trust for such holders of Company Shares as part of the Exchange Fund. Parent shall pay all commissions, transfer taxes and other out-of-pocket transaction costs of the Exchange Agent incurred in connection with such sale or sales of Excess Shares. In addition, Parent shall pay the Exchange Agent's compensation and expenses in connection with such sale or sales. The Exchange Agent shall determine the portion of such net proceeds to which each holder of Company Share shall be entitled, if any, by multiplying the amount of the aggregate net proceeds by a fraction, the numerator of which is the amount of the fractional share interest to which such holder of Company Shares is entitled (after taking into account all shares of Parent Common Stock to be issued to such holder) and the denominator of which is the aggregate amount of fractional share interests to which all holders of Company Shares are entitled.

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(iv) As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of Company Shares with respect to any fractional share interests, the Exchange Agent shall promptly pay such amounts to such holders of Company Shares subject to and in accordance with the terms of Section 3.04(b).

(e) Termination of Exchange Fund. Any portion of the Exchange Fund that remains undistributed to the holders of Company Shares for nine months after the Effective Time shall be delivered to Parent, upon demand, and any holders of Company Common Stock who have not theretofore complied with this Article III shall thereafter look only to Parent for the shares of Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock to which they are entitled pursuant to Section 3.04(d) and any dividends or other distributions with respect to Parent Common Stock to which they are entitled pursuant to Section 3.04(b), in each case, without any interest thereon.

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(f) No Liability. Neither Parent nor the Company shall be liable to any holder of Company Shares for any such shares of Parent Common Stock (or dividends or distributions with respect thereto) or cash from the Exchange Fund delivered to a public official pursuant to any abandoned property, escheat or similar Law.

(g) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such person of a bond, in such reasonable amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the shares of Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock to which the holders thereof are entitled pursuant to Section 3.04(d) and any dividends or other distributions to which the holders thereof are entitled pursuant to Section 3.04(b), in each case, without any interest thereon.

(h) Withholding Rights. Each of the Surviving Corporation, Parent or the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Stockholder such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or non-United States Tax Law. To the extent that amounts are so withheld by the Surviving Corporation, Parent or the Exchange Agent, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Stockholder in respect of which such deduction and withholding was made by the Surviving Corporation, Parent or the Exchange Agent, as the case may be.

Section 3.05. Stock Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of Company Shares thereafter on the records of the Company. From and after the Effective Time, the holders of Certificates representing Company Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Company Shares, except as otherwise provided in this Agreement or by Law. On or after the Effective Time, any Certificates presented to Parent for any reason shall be converted into the applicable shares of Parent Common Stock and any cash in lieu of fractional shares of Parent Common Stock to which the holders thereof are entitled pursuant to Section 3.04(d).

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Section 3.06. Company Options and Restricted Shares. All options outstanding at the Effective Time (the "Company Options"), whether or not exercisable and whether or not vested, under the 1999 Employee, Director and Consultant Stock Option Plan or under any other stock option plans or agreements to which the Company is a party (the "Company Stock Option Plans") (the "Assumed Company Options") shall remain outstanding following the Effective Time. The Company Options and the Company Stock Option Plans are listed on Section 3.06(a) of the Disclosure Schedule. At the Effective Time, Parent and the Company shall take all actions necessary to provide for the assumption of the Assumed Company Options by Parent. From and after the Effective Time, all references to the Company in the Company Stock Option Plans and the applicable stock option agreements issued thereunder shall be deemed to refer to Parent, which shall have assumed the Company Stock Option Plans as of the Effective Time by virtue of this Agreement and without any further action. Each Assumed Company Option shall be exercisable upon the same terms and conditions (including, without limitation, all provisions related to acceleration of vesting) as under the applicable Company Stock Option Plan and the applicable option agreement issued thereunder, except that (A) each such Assumed Company Option shall be exercisable for, and represent the right to acquire, that whole number of shares of the Parent Common Stock (rounded down to the nearest whole share) equal to the number of shares of the Company Common Stock subject to such Assumed Company Option multiplied by the Common Stock Exchange Ratio and (B) the exercise price per share of the Parent Common Stock shall be an amount equal to the exercise price per share of the Company Common Stock subject to such Assumed Company Option in effect immediately prior to the Effective Time divided by the Common Stock Exchange Ratio (the exercise price per share, as so determined, being rounded upward to the nearest full cent); provided any such option shall be subject to any adjustments provided for in any Retention Agreement agreed be a holder of such option and Parent. All shares of common stock that were acquired upon the exercise of a Company Option and/or

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which are subject to repurchase rights shall be converted as of the Effective Time into shares of Parent Common Stock in accordance with Section 3.03(a) subject to the same repurchase rights, unless otherwise agreed by a holder of such Company shares and Parent. Except to the extent agreed in any Retention Agreement, the assumption of any Company Options that are "incentive stock options" as defined in Section 422 of the Code at the Effective Time shall be and are intended to be effected in a manner that is consistent with Section 424(a) of the Code so as to preserve the benefits of such "incentive stock options."

Section 3.07. Dissenting Shares. (a) Notwithstanding any provision of this Agreement to the contrary, Company Shares that are outstanding immediately prior to the Effective Time and which are held by Stockholders who shall have not voted in favor of the Merger or consented thereto in writing and who shall have demanded properly in writing appraisal for such Company Shares in accordance with Section 262 of Delaware Law (collectively, the "Dissenting Shares") shall not be converted into or represent the right to receive the Common Stock Merger Consideration, the Series A Preferred Stock Merger Consideration or the Series B Preferred Stock Merger Consideration, as applicable. Such Stockholders shall be entitled to receive payment of the appraised value of such Company Shares held by them in accordance with the provisions of such Section 262, except that all Dissenting Shares held by Stockholders who shall have failed to perfect or who effectively shall have withdrawn or lost their rights to appraisal of such Company Shares under such Section 262 shall thereupon be deemed to have been converted into and to have become exchangeable for, as of the Effective Time, the right to receive the Common Stock Merger Consideration, the Series A Preferred Stock Merger Consideration or the Series B Preferred Stock Merger Consideration, as

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applicable, less 10% of the total number of shares of Parent Common Stock issuable to such holder (the "Escrow Shares") without any interest thereon, upon surrender, in the manner provided in Section 3.04, of the Certificate or Certificates that formerly evidenced such Company Shares. Promptly following such event, Parent shall deliver to the Exchange Agent a certificate representing shares of Parent Common Stock issuable to such holder and shall deliver to the Escrow Agent a certificate representing the Escrow Shares (which shares shall be considered Escrow Fund for purposes of this Agreement). All consideration paid in accordance with section 262 of DGCL to the holders of Dissenting Shares shall be paid by the Company out of the Company's own assets. Such payments will not be considered to be current liabilities for purposes of the adjustments provided for in Section 3.09.

(b) The Company shall give Parent (i) prompt notice of any demands for appraisal received by the Company, withdrawals of such demands, and any other instruments served pursuant to Delaware Law and received by the Company and (ii) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal under Delaware Law. The Company shall not, except with the prior written consent of Parent, make any payment with respect to any demands for appraisal or offer to settle or settle any such demands.

Section 3.08. Parent Rights Plan. Each person entitled to receive shares of Parent Common Stock pursuant to this Article III shall receive together with such shares of Parent Common Stock the number of Parent preferred share purchase rights (pursuant to the Rights Agreement dated as of November 5, 1998 between Parent and Harris Trust and Savings Bank (the "Parent Rights Plan")) per share of Parent Common Stock equal to the number of Parent preferred share purchase rights associated with one share of Parent Common Stock at the Effective Time.

Section 3.09. Adjustment of Merger Consideration. (a) At least five business days prior to the scheduled Closing Date, the Company shall deliver to Parent an unaudited estimated balance sheet of the Company, as of the Closing Date (the "Estimated Balance Sheet"), prepared in conformity with U.S. GAAP applied on a basis consistent with the preparation of the April 30, 2001 Balance Sheet and certified by the Chief Operating Officer of the Company as a good faith estimate of the Closing Balance Sheet and, for purposes of calculating Aggregate Consideration, estimates of the Cash and Company Debt as of the Cut-Off Date, Cash Capital Expenditures (which shall not exceed \$1,000,000) and Retention/Integration Expenses, in each case from the date hereof through the Closing Date and the Exercise Amount. In the event that the remainder of (i) Net Working Capital reflected on the April 30, 2001 Balance Sheet minus (ii) \$1,000,000 exceeds the Net Working Capital reflected on the Estimated Balance Sheet, then the Aggregate Consideration

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shall be adjusted downward in an amount equal to such excess (the "Deficiency"). In the event that Net Working Capital reflected on the Estimated Balance Sheet exceeds the remainder of (x) the Net Working Capital reflected on the April 30, 2001 Balance Sheet minus (y) \$1,000,000, then the Aggregate Consideration shall be adjusted upward in an amount equal to such excess (the "Surplus").

(b) As promptly as practicable, but in any event within ninety calendar days following the Closing Date, Parent shall deliver to the Stockholder Representative (i) the Closing Balance Sheet, together with an unqualified report thereon of the Parent's Accountants stating that the Closing Balance Sheet fairly presents in all material respects the consolidated financial position of the Company at the Closing Date in conformity with U.S. GAAP applied on a basis consistent with the preparation of the April 30, 2001

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Balance Sheet, and (ii) notice of any discrepancy in the amount of Cash, Company Debt, Cash Capital Expenditures or the Exercise Amount (the "Other Disputed Amounts").

(c) (i) Subject to clause (ii) of this Section 3.09(c), the Closing Balance Sheet and the Other Disputed Amounts delivered by Parent to the Stockholder Representative shall be deemed to be and shall be final, binding and conclusive on the parties hereto.

(ii) The Stockholder Representative may dispute any amounts (A) reflected on the Closing Balance Sheet but only on the basis that the amounts reflected on the Closing Balance Sheet were not arrived at in accordance with U.S. GAAP applied on a basis consistent with the preparation of the April 30, 2001 Balance Sheet and as adjusted in accordance with this Agreement and (B) reflected in the calculation of the Other Disputed Amounts; provided, however, that the Stockholder Representative shall have notified Parent and Parent's Accountants in writing of each disputed item, specifying the amount thereof in dispute and setting forth, in reasonable detail, the basis for such dispute, within thirty business days of Parent's delivery of the Closing Balance Sheet and the Other Disputed Amounts to the Stockholder Representative. In the event of such a dispute, Parent's Accountants and the Company's Accountants shall attempt to reconcile their differences, and any written resolution by them as to any disputed amounts shall be final, binding and conclusive on the parties hereto. If the Company's Accountants and Parent's Accountants are unable to reach a resolution within thirty business days after receipt by Parent and Parent's Accountants of the Stockholder Representative's written notice of dispute, the Company's Accountants and Parent's Accountants shall submit the items remaining in dispute for resolution to an independent accounting firm of international reputation mutually acceptable to the Stockholder Representative and Parent (such accounting firm being referred to herein as the "Independent Accounting Firm"), which shall, within thirty business days after such submission, determine and report to the Stockholder Representative and Parent upon such remaining disputed items, and such written report shall be final, binding and conclusive on the Stockholder Representative and Parent. The fees and disbursements of the Independent Accounting Firm shall be allocated between the Stockholder Representative (whose portion thereof shall be paid by the release of property from the Escrow Fund) and Parent in the same proportion that the aggregate amount of such remaining disputed items so submitted to the Independent Accounting Firm that is unsuccessfully disputed by each such party (as finally determined by the Independent Accounting Firm) bears to the total amount of such remaining disputed items so submitted.

(iii) In acting under this Agreement, the Company's Accountants, Parent's Accountants and the Independent Accounting Firm shall be entitled to the privileges and immunities of arbitrators.

(iv) During any period of review or dispute within the contemplation of Section 3.09 or Article IX of this Agreement or of the Escrow Agreement, Parent, the Surviving Corporation and the Stockholder Representative shall provide to each other and their respective authorized representatives, reasonable access to such books, records and employees of the Company or the Stockholder Representative, if any, as the case may be, relating to the Company and any dispute under this Agreement or the Escrow Agreement, to the extent such materials or persons are within their possession or control. Subject to providing an appropriate waiver to Parent's Accountants, the Company's Accountants shall be permitted to review the relevant work papers of Parent's Accountants.

(d) The Closing Balance Sheet and Other Disputed Amounts shall be deemed final for the purposes of this Section 3.09 upon the earliest of (A) the failure of the Stockholder Representative to notify Parent of a dispute within thirty business days of Parent's delivery of the Closing Balance Sheet and Other Disputed Amounts to the Stockholder Representative, (B) the written resolution of all disputes, pursuant to Section 3.09(c)(ii), by the Company's Accountants and Parent's Accountants and (C) the written resolution of all disputes, pursuant to Section 3.09(c)(ii), by the Independent Accounting Firm. Within three business days of the Closing Balance Sheet and the Other Disputed Amounts being deemed final, a Post-Closing Adjustment shall be made as follows:

(i) if final Company Debt as of the Cut-Off Date (A) is more than Company Debt estimated pursuant to Section 3.09(a), the Post-Closing Adjustment will be reduced by the amount of such difference, or (B) is less than the Company Debt estimated pursuant to Section 3.09(a), the Post-Closing Adjustment will be increased by such difference;

(ii) if final Cash as of the Cut-Off Date (A) is more than Cash estimated pursuant to Section 3.09(a), the Post-Closing Adjustment will be increased by the amount of such difference, or (B) is less than Cash estimated pursuant to Section 3.09(a), the Post-Closing Adjustment will be reduced by such difference; and

(iii) if final Net Working Capital on the Closing Balance Sheet (A) is more than Net Working Capital on the Estimated Balance Sheet, the Post-Closing Adjustment will be increased by the amount of such difference, or (B) is less than Net Working Capital on the Estimated Balance Sheet, the Post-Closing Adjustment will be reduced by such difference.

(iv) if final Cash Capital Expenditures, (which in no event may exceed \$1,000,000) (A) are more than the Cash Capital Expenditures estimated pursuant to Section 3.09(a), the Post-Closing Adjustment will be increased by such difference, or (B) are less than the Cash Capital Expenditures estimated pursuant to Section 3.09(a), the Post-Closing Adjustment will be decreased by such difference; and

(v) if the final Exercise Amount (A) is more than the Exercise Amount estimated pursuant to Section 3.09(a), the Post-Closing Adjustment will be increased by such difference, or (B) is less than the Exercise Amount estimated pursuant to Section 3.09(a), the Post-Closing Adjustment will be decreased by such difference.

(e) (i) if the aggregate net amount of the Post-Closing Adjustment referred to in paragraph (d) above is a negative amount, then Parent shall deliver written notice to the Escrow Agent and the Stockholders' Representative specifying the amount of such Post-Closing Adjustment, and the Escrow Agent shall, in accordance with the terms of the Escrow Agreement, deliver to Parent out of the Escrow Fund that number of shares of Parent Common Stock as shall equal the quotient of (i) the amount of such Post-Closing Adjustment divided by (ii) the Average Closing Price; and

(ii) if the net amount of the Post-Closing Adjustment referred to in paragraph (d) above is a positive amount, additional shares of Parent Common Stock will be transferred to Exchange Agent for distribution to the holders of Company Common Shares and Series A Preferred Shares and the Escrow Agent in accordance with Paragraph (f) below.

(f) in the event there is to be a distribution of shares of Parent Common

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Stock pursuant to Section 3.09(e)(ii), such additional shares of Parent Common Stock will be distributed as follows:

(i) each Stockholder that, as of the Effective Time held Company Common Shares shall receive with respect to each such Company Common Share, other than Dissenting Shares, such number of shares of Parent Common Stock as shall equal the quotient of (A) the Per Share Adjustment (as defined below) divided by (B) the Average Closing Price;

(ii) each Stockholder that, as of the Effective Time held Series A Preferred Shares shall receive with respect to each such Series A Share, other than Dissenting Shares, such number of shares of Parent

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Common Stock as shall equal the quotient of (A) the Per Share Adjustment multiplied by the number of Company Common Shares that each Series A Preferred Share was convertible into immediately prior to the Effective Time divided by (B) the Average Closing Price;

(iii) Parent shall deposit with the Escrow Agent such number of shares of Parent Common Stock as shall equal the quotient of (A) 10% of the net Post-Closing Adjustment, divided by (B) the Average Closing Price;

(iv) as used herein, the "Per Share Adjustment" means an amount equal to the quotient of (A) 90% of the net Post-Closing Adjustment divided by (B) (1) the number of Company Common Shares outstanding as of the Effective Time plus (2) an amount equal to the product of (x) the number of Series A Preferred Shares outstanding as of the Effective Time multiplied by (y) the number of Company Common Shares that each Series A Preferred Share was convertible into immediately prior to the Effective Time.

(g) No fractional shares of Parent Common Stock will be issued in connection with the adjustment described in this S