

Physicians Realty Trust  
Form 424B3  
November 13, 2014  
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**Filed pursuant to Rule 424(b)(3)**

**Registration No. 333-198400**

**PROSPECTUS**

**DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN**

**1,500,000 Common Shares, \$0.01 Par Value Per Share**

With this prospectus, we are offering you the opportunity to participate in our Dividend Reinvestment and Share Purchase Plan (the "Plan"). The Plan allows our existing shareholders to increase their holdings of our common shares of beneficial interest, \$0.01 par value per share, or common shares, and gives new investors an opportunity to make an initial investment in our common shares.

**PLAN HIGHLIGHTS**

- If you are an existing shareholder, you may purchase additional common shares by reinvesting all or a portion of the dividends paid on your common shares and by making optional cash payments of not less than \$50 up to a maximum of \$10,000 per month.
- If you are a new investor, you may join the Plan by making an initial investment of not less than \$1,000 up to a maximum of \$10,000.
- Once you enroll in the Plan, you may authorize electronic deductions from your bank account for optional cash payments.

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Your participation in the Plan is voluntary and you may terminate your account at any time. If you elect not to participate in the dividend reinvestment portion of the Plan, you will receive dividends, if and when authorized by our board of trustees and declared by us, by check or automatic deposit to a bank account that you designate.

You should read this document and any prospectus supplement or amendment carefully before you invest in our securities. Our common shares are listed on the New York Stock Exchange, or the NYSE, under the symbol DOC. On November 13, 2014, the closing price for our common shares, as reported on the NYSE, was \$15.69 per share. Our principal executive offices are located at 735 N. Water Street, Suite 1000, Milwaukee, Wisconsin 53202.

We are a Maryland real estate investment trust, and elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes beginning with our short taxable year ending December 31, 2013. Our common shares are subject to restrictions on ownership and transfer that are intended, among other purposes, to assist us in qualifying and maintaining our qualification as a REIT. Our declaration of trust, subject to certain exceptions, limits ownership to no more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our shares of beneficial interest.

**We are an emerging growth company under the federal securities laws and have reduced public company reporting requirements. Investing in our securities involves a high degree of risk. You should review carefully the risks and uncertainties described under the heading Risk Factors contained in this prospectus beginning on page 4 and any applicable prospectus supplement, and under similar headings in the other documents that are incorporated by reference into this prospectus.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE, TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**The date of this prospectus is November 13, 2014.**

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**ABOUT THIS PROSPECTUS**

We have not authorized anyone to provide you with different or inconsistent information from that contained in this prospectus and the documents incorporated herein by reference. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information in this prospectus is accurate only as of the date hereof and that the documents incorporated herein by reference are accurate only as of the date that such documents were filed with the Securities and Exchange Commission (the "SEC"). Our business, financial condition, results of operations and prospects may have changed since these dates. This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities other than the common shares offered hereby, or an offer to sell, or a solicitation of an offer to buy, such shares in any jurisdiction in which, or to any person to whom, such offer or solicitation would be unlawful.

This prospectus and the documents incorporated herein by reference summarize material provisions of certain contracts and other documents. These are summaries only, and you may wish to review the full text of those documents for a full understanding of their terms and conditions.

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**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus and some of the documents that are incorporated by reference herein, including our Annual Report on Form 10-K for the year ended December 31, 2013, which we refer to as our 2013 10-K and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2014 and June 30, 2014, which we refer to as our First Quarter 2014 10-Q and Second Quarter 2014 10-Q, respectively, contain various forward-looking statements within the meaning of the federal securities laws. You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, should, seeks, approximately, intends, plans, pro forma, anticipates or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- general economic conditions;
- adverse economic or real estate developments, either nationally or in the markets in which our properties are located;
- our failure to generate sufficient cash flows to service our outstanding indebtedness;
- fluctuations in interest rates and increased operating costs;
- the availability, terms and deployment of debt and equity capital, including our unsecured revolving credit facility;
- our ability to make distributions on our shares of beneficial interest;
- general volatility of the market price of our common shares;
- our limited operating history;
- our increased vulnerability economically due to the concentration of our investments in healthcare properties;
- our geographic concentrations in Texas causes us to be particularly exposed to downturns in this local economy or other changes in local real estate market conditions;
- changes in our business or strategy;
- our dependence upon key personnel whose continued service is not guaranteed;
- our ability to identify, hire and retain highly qualified personnel in the future;

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- the degree and nature of our competition;
- changes in governmental regulations, tax rates and similar matters;
- defaults on or non-renewal of leases by tenants;
- decreased rental rates or increased vacancy rates;
- difficulties in identifying healthcare properties to acquire and completing acquisitions;
- competition for investment opportunities;
- our failure to successfully develop, integrate and operate acquired properties and operations;
- the impact of our investment in joint ventures;
- the financial condition and liquidity of, or disputes with, joint venture and development partners;
- our ability to operate as a public company;
- changes in accounting principles generally accepted in the United States of America. or GAAP;
- lack of or insufficient amounts of insurance;
- other factors affecting the real estate industry generally;
- our failure to qualify and maintain our qualification as a REIT for U.S. federal income tax purposes;
- limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes;
- changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs; and
- various other factors may materially adversely affect us, including the per share trading price of our common shares, such as:
  - higher market interest rates;
  - the number of our common shares available for future issuance or sale;
  - our issuance of equity securities or the perception that such issuance might occur;
  - future offerings of debt; and
  - if securities analysts do not public research or reports about our industry or if they downgrade our common shares or the healthcare-related real estate sector.

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While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. You should not place undue reliance on any forward-looking statements that are based on information currently available to us or the third parties making the forward-looking statements. We discuss many of these risks in greater detail under the heading "Risk Factors" in our SEC filings and under the caption "Risk Factors" in this prospectus. Also, these forward-looking statements represent our estimates and assumptions only as of the date of the document containing the applicable statement. You should read this prospectus, the registration

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statement of which this prospectus is a part, and the exhibits and documents incorporated by reference herein and therein completely and with the understanding that our actual future results may be materially different from those described in forward-looking statements. We qualify all of the forward-looking statements in the foregoing documents by these cautionary statements.

You should assume that information contained in or incorporated by reference into this prospectus is accurate only as of the date on the front cover of this prospectus or the date of the document incorporated by reference, as applicable. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes after the date of this prospectus.

**ABOUT OUR COMPANY**

**Our Company**

We are a self-managed healthcare real estate company organized in April 2013 to acquire, selectively develop, own and manage healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. We completed our initial public offering ( IPO ) in July 2013. As of September 30, 2014, our portfolio consisted of 64 properties located in 17 states with approximately 2,524,950 net leasable square feet, which were approximately 95.4% leased with a weighted average remaining lease term of approximately 9.9 years and approximately 60.0% of the net leasable square footage of our portfolio was affiliated with a healthcare delivery system and approximately 50.3% of the net leasable square footage of our properties is located within approximately 1/4 mile of a hospital campus.

We invest in real estate that is integral to providing high quality healthcare services. Our properties are typically located on a campus with a hospital or other healthcare facilities or strategically located and affiliated with a hospital or other healthcare facilities. We believe the impact of government programs and continuing trends in the healthcare industry create attractive opportunities for us to invest in health care related real estate. Our management team has significant public healthcare REIT experience and has long established relationships with physicians, hospitals and healthcare delivery system decision makers that we believe will provide quality investment and growth opportunities. Our principal investments include medical office buildings, outpatient treatment facilities, acute and post-acute care hospitals, as well as other real estate integral to health care providers. We seek to generate attractive risk-adjusted returns for our shareholders through a combination of stable and increasing dividends and potential long-term appreciation in the value of our properties and our common shares.

We had no business operations prior to completion of the IPO and the formation transactions on July 24, 2013. Our Predecessor, which is not a legal entity, is comprised of the four healthcare real estate funds managed by B.C. Ziegler & Company ( Ziegler ), which we refer to as the Ziegler Funds, that owned directly or indirectly interests in entities that owned the initial properties we acquired on July 24, 2013 in connection with completion of our IPO and related formation transactions.

We are a Maryland real estate investment trust and elected to be taxed as a REIT for U.S. federal income tax purposes beginning with our short taxable year ending December 31, 2013. We conduct our business through an UPREIT structure in which our properties are owned by our operating partnership directly or through limited partnerships, limited liability companies or other subsidiaries. We are the sole general partner of our operating partnership and, as of October 1, 2014, own approximately 93.7% of the partnership interests in our operating partnership.



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*All references to we, us, our, our company, the Trust, the Company, and Physicians Realty refer to Physicians Realty Trust, a Maryland real estate investment trust, together with its consolidated subsidiaries, including Physicians Realty L.P., a Delaware limited partnership, which we refer to as our operating partnership, and the historical business and operations of four healthcare real estate funds that we have classified for accounting purposes as our Predecessor and which we sometimes refer to as the Ziegler Funds, and not to the persons who manage us or sit on our Board of Trustees.*

### **Corporate Information**

We were formed as a Maryland real estate investment trust on April 9, 2013. Our corporate offices are located at 735 N. Water Street, Suite 1000, Milwaukee, Wisconsin 53202. Our telephone number is (414) 978-6494. Our internet website is [www.docreit.com](http://www.docreit.com). The information contained on, or accessible through, this website, or any other website, is not incorporated by reference into this prospectus and should not be considered a part of this prospectus.

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**RISK FACTORS**

*An investment in our common shares involves a high degree of risk. Before you decide to participate in the Plan and invest in our common shares, you should carefully consider the risk factors set forth below as well as in each of our 2013 10-K, our First Quarter 2014 10-Q and our Second Quarter 2014 10-Q, together with the other information included or incorporated by reference into this prospectus and the risks we have highlighted in other sections of this prospectus. If any of these risks occurs, our business, financial condition, liquidity, tax status and results of operations could be materially and adversely affected. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section captioned *Cautionary Note Regarding Forward-Looking Statements*.*

***You will not know the price per share of our common shares at the time you make an investment decision.***

You will not know the price per share of the common shares you are purchasing under the Plan at the time you authorize the investment or elect to have your dividends reinvested.

***The price per share of our common shares may fluctuate between the time you make an investment decision and the time the shares are purchased or sold.***

The price per share of our common shares may fluctuate between the time you decide to purchase shares under the Plan and the time of actual purchase. In addition, during this time period, you may become aware of additional information that might affect your investment decision.

If you instruct Computershare Trust Company, N.A. (the Administrator) to sell your common shares under the Plan, you may not be able to direct the time or price at which your common shares are sold, depending on the sales option you select. The market price of our common shares may decline between the time you decide to sell common shares and the actual time of sale.

If you decide to withdraw from the Plan and request a certificate for whole common shares credited to you under the Plan, the price per share of our common shares may decline between the time you decide to withdraw and the time you receive the certificate.

***The market price and trading volume of our common shares may be volatile following this offering and may be affected by a number of factors.***

The per share trading price of our common shares may be volatile. In addition the trading volume in our common shares may fluctuate and cause significant price variations to occur, and investors in our common shares may from time to time experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. If the per share trading price of our common shares declines significantly, you may be unable to resell your shares at or above the public offering price. We cannot assure you that the per share trading price

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of our common shares will not fluctuate or decline significantly in the future.

Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common shares include:

- actual or anticipated variations in our quarterly operating results or dividends;
- changes in our funds from operations or earnings estimates;
- publication of research reports about us or the real estate industry;
- increases in market interest rates that lead purchasers of our shares to demand a higher yield;
- changes in market valuations of similar companies;
- adverse market reaction to any additional debt we incur in the future;
- additions or departures of key management personnel;
- actions by institutional shareholders;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this prospectus;
- the extent of investor interest in our securities;
- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate based companies;
- our underlying asset value;

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- investor confidence in the stock and bond markets generally;
- changes in tax laws;
- future equity issuances;
- failure to meet earnings estimates;
- failure to meet and maintain REIT qualification;
- changes in our credit ratings; and
- general market and economic conditions.

In the past, securities class-action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on us, including our financial condition, results of operations, cash flow, and per share trading price of our common shares.

***We may be unable to make distributions which could result in a decrease in the market price of our common shares.***

While we expect to make regular quarterly distributions to the holders of our common shares, if sufficient cash is not available for distribution from our operations, we may have to fund distributions from working capital, borrow to provide funds for such distributions, or reduce the amount of such distributions. To the extent we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been. If cash available for distribution generated by our assets is less than expected, or if such cash available for distribution decreases in future periods from expected levels, our inability to make distributions could result in a decrease in the market price of our common shares.

All distributions will be made at the discretion of our board of trustees and will be based upon, among other factors, our historical and projected results of operations, financial condition, cash flows and liquidity, maintenance of our REIT qualification and other tax considerations, capital expenditure and other expense obligations, debt covenants, contractual prohibitions or other limitations and applicable law and such other matters as our board of trustees may deem relevant from time to time. We may not be able to make distributions in the future, and our inability to make distributions, or to make distributions at expected levels, could result in a decrease in the market price of our common shares.

***Increases in market interest rates may have an adverse effect on the trading prices of our common shares as prospective purchasers of our common shares may expect a higher dividend yield and as an increased cost of borrowing may decrease our funds available for distribution.***

One of the factors that influences the trading prices of our common shares is the dividend yield on the common shares (as a percentage of the price of our common shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to

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historical rates, may lead prospective purchasers of our common shares to expect a higher dividend yield (with a resulting decline in the trading prices of our common shares) and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our common shares to decrease.

***The number of our common shares available for future issuance or sale could materially adversely affect the per share trading price of our common shares.***

As of November 10, 2014, we will have issued and outstanding approximately 47,381,216 common shares and reserved 3,190,339 common shares for issuance upon redemption of outstanding common units in our operating partnership ( OP Units ) which are not owned by us. We have agreed to register the common shares issuable upon redemption of the OP Units so that such common shares will be freely tradable under the securities laws.

We cannot predict whether future issuances or sales of our common shares or the availability of shares for resale in the open market will decrease the per share trading price of our common shares. The per share trading price of our common shares may decline significantly when the OP Units become redeemable.

***Our issuance of equity securities, including OP Units, or the perception that such issuances might occur could materially adversely affect us, including the per share trading price of our common shares.***

The redemption of OP Units for common shares, the vesting of any restricted shares granted to certain trustees, executive officers and other employees under our 2013 Equity Incentive Plan, the issuance of our common shares or OP Units in connection with future property, portfolio or business acquisitions and other issuances of our common shares, could have an adverse effect on the per

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share trading price of our common shares may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future issuances of our common shares may be dilutive to existing shareholders.

In August 2014, the Company filed with the SEC a registration statement on Form S-3 (File No. 333-197842) covering the registration under the Securities Act of 1933, as amended (the Securities Act), of common shares, preferred shares of beneficial interest, various series of debt securities, depositary shares, warrants to purchase any of such securities, and units comprised of any such securities with a total value of up to \$900 million, which was declared effective by the SEC on August 19, 2014 (the Shelf Registration Statement).

Also on August 19, 2014, we and our operating partnership entered into separate At Market Issuance Sales Agreements (the Sales Agreements) with each of MLV & Co. LLC, KeyBanc Capital Markets Inc., JMP Securities LLC, and RBC Capital Markets, LLC (the Agents), pursuant to which we may issue and sell our common shares having an aggregate offering price of up to \$150 million, from time to time, through the Agents. The common shares are registered under the Securities Act pursuant to the Shelf Registration Statement and are being offered pursuant to a prospectus dated August 19, 2014, as supplemented by a prospectus supplement dated August 19, 2014, filed with the SEC pursuant to Rule 424(b) of the Securities Act. In accordance with the Sales Agreements, we may offer and sell our common shares through any of the Agents, from time to time, by any method deemed to be an at the market offering as defined in Rule 415 under the Securities Act, which includes sales made directly on the NYSE, or other existing trading market, or sales made to or through a market maker. With our express written consent, sales also may be made in negotiated transactions or any other method permitted by law.

***Future offerings of debt, which would be senior to our common shares upon liquidation, or preferred equity securities which may be senior to our common shares for purposes of dividend distributions or upon liquidation, may materially adversely affect us, including the per share trading price of our common shares.***

In the future, we may attempt to increase our capital resources by making additional offerings of debt or equity securities (or causing our operating partnership to issue debt securities), including medium-term notes, senior or subordinated notes and classes or series of preferred shares. Upon liquidation, holders of our debt securities and preferred shares and lenders with respect to other borrowings will be entitled to receive our available assets prior to distribution to the holders of our common shares. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common shares and may result in dilution to owners of our common shares. Holders of our common shares are not entitled to preemptive rights or other protections against dilution. Our preferred shares, if issued, could have a preference on liquidating distributions or a preference on dividend payments that could limit our ability pay dividends or other distributions to the holders of our common shares. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our shareholders bear the risk that our future offerings could reduce the per share trading price of our common shares and dilute their interest in us.

***If securities analysts do not publish research or reports about our industry or if they downgrade our common shares or the healthcare-related real estate sector, the market price of our common shares could decline.***

The trading market for our common shares depends in part upon the research and reports that industry or financial analysts publish about us or our industry. We have no control over these analysts. Furthermore, if one or more of the analysts who do cover us downgrades our shares or our industry, or the stock of any of our competitors, the price of our common shares could decline. If one or more of these analysts ceases coverage of our company, we could lose attention in the market which in turn could cause the market price of our common shares to decline.

*Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our shareholders.*

We believe that our organization and proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT commencing with our taxable year ending December 31, 2013. However, we cannot assure you that we will qualify and remain qualified as a REIT. We will receive an opinion from Baker & McKenzie LLP in connection with this offering that, commencing with our taxable year ending December 31, 2013, we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws and our current and proposed method of operations will enable us to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2014 and subsequent taxable years. Investors should be aware that Baker & McKenzie LLP's opinions are based upon customary assumptions, will be conditioned upon certain representations made by us as to factual matters, including representations regarding the nature of our assets and the conduct of our business, is not binding upon the Internal Revenue

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Service, or the IRS, or any court and speaks as of the date issued. In addition, Baker & McKenzie LLP's opinion will be based on existing U.S. federal income tax law governing qualification as a REIT, which is subject to change either prospectively or retroactively. Moreover, our qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the federal tax laws. Baker & McKenzie LLP will not review our compliance with those tests on a continuing basis. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year will satisfy such requirements.

If we fail to qualify as a REIT in any taxable year, we will face serious tax consequences that will substantially reduce the funds available for distributions to our shareholders because:

- we would not be allowed a deduction for dividends paid to shareholders in computing our taxable income and would be subject to U.S. federal income tax at regular corporate rates;
- we could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and
- unless we are entitled to relief under certain U.S. federal income tax laws, we could not re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT.

In addition, if we fail to qualify as a REIT, we will no longer be required to make distributions. As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and it would adversely affect the value of our shares of beneficial interest. See Material U.S. Federal Income Tax Considerations for a discussion of material U.S. federal income tax considerations relating to us and our common shares.

### **DESCRIPTION OF OUR COMMON SHARES**

The following description of our common shares, together with the additional information we include in any applicable prospectus supplements, summarizes the material terms and provisions of the common shares that we may offer under the Plan. The following description of our common shares of beneficial interest is not a complete description of the Maryland REIT Law, or the MRL, or of the Maryland General Corporation Law, or the MGCL, provisions applicable to a Maryland real estate investment trust, and does not purport to be complete and is subject to, and qualified in its entirety by, our declaration of trust and our Bylaws, which are exhibits to the registration statement of which this prospectus forms a part, and by applicable law. The terms of our common shares also may be affected by Maryland law.

#### **General**



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Our declaration of trust provides that we may issue up to 500,000,000 common shares of beneficial interest, \$0.01 par value per share, and 100,000,000 preferred shares of beneficial interest, \$0.01 par value per share. Our declaration of trust authorizes our board of trustees to amend our declaration of trust to increase or decrease the aggregate number of authorized shares or the number of shares of any class or series that we have the authority to issue without shareholder approval. As of November 10, 2014, 47,381,216 common shares are issued and outstanding on a fully diluted basis, including the 250,000 restricted common shares granted to our trustees and officers under our 2013 Equity Incentive Plan in connection with completion of our IPO, which shares vest ratably over three years, the 84,266 restricted common shares granted to our trustees and officers under our 2013 Equity Incentive Plan in March 2014, which shares vest over a one year period, the 5,263 restricted common shares granted to certain of our employees under our 2013 Equity Incentive Plan in June 2014, which shares vest ratably over three years, and the 56,617 restricted common shares granted to our chief financial officer under our 2013 Equity Incentive Plan in July 2014 in connection with the hiring of our chief financial officer, which shares vest ratably over three years, and no preferred shares are issued and outstanding.

Under Maryland law, shareholders are not personally liable for the obligations of a Maryland real estate investment trust solely as a result of their status as shareholders.

### **Common Shares**

All of the common shares that may be issued in connection with this offering will, upon issuance, be duly authorized, fully paid and nonassessable. Subject to the preferential rights, if any, of holders of any other class or series of shares of beneficial interest and to the provisions of our declaration of trust regarding the restrictions on ownership and transfer of shares of beneficial interest, holders of our common shares are entitled to receive distributions on such shares of beneficial interest out of assets legally available therefor if, as and when authorized by our board of trustees and declared by us, and the holders of our common shares are entitled to share ratably in

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our assets legally available for distribution to our shareholders in the event of our liquidation, dissolution or winding up after payment of or adequate provision for all of our known debts and liabilities.

Subject to the provisions of our declaration of trust regarding the restrictions on ownership and transfer of common shares of beneficial interest and except as may otherwise be specified in the terms of any class or series of common shares, each outstanding common share entitles the holder to one vote on all matters submitted to a vote of shareholders, including the election of trustees, and, except as provided with respect to any other class or series of shares of beneficial interest, the holders of such common shares will possess the exclusive voting power. There is no cumulative voting in the election of our trustees, which means that the shareholders entitled to cast a majority of the votes entitled to be cast in the election of trustees can elect all of the trustees then standing for election, and the remaining shareholders will not be able to elect any trustees.

Holders of common shares have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and have no preemptive rights to subscribe for any of our securities. Subject to the restrictions on ownership and transfer of shares contained in our declaration of trust and the terms of any other class or series of common shares, all of our common shares will have equal dividend, liquidation and other rights.

**Power to Reclassify Our Unissued Shares of Beneficial Interest**

Our declaration of trust authorizes our board of trustees to classify and reclassify any unissued common or preferred shares into other classes or series of shares of beneficial interest. Prior to the issuance of shares of each class or series, our board of trustees is required by Maryland law and by our declaration of trust to set, subject to the provisions of our declaration of trust regarding the restrictions on ownership and transfer of shares of beneficial interest, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Therefore, our board could authorize the issuance of common shares or preferred shares that have priority over our common shares as to voting rights, dividends or upon liquidation or with terms and conditions that could have the effect of delaying, deferring or preventing a change in control or other transaction that might involve a premium price for our common shares or otherwise be in the best interests of our shareholders. No preferred shares are presently outstanding, and we have no present plans to issue any preferred shares.

**Power to Increase or Decrease Authorized Shares of Beneficial Interest and Issue Additional Common Shares and Preferred Shares**

We believe that the power of our board of trustees to amend our declaration of trust to increase or decrease the number of authorized shares of beneficial interest, to authorize us to issue additional authorized but unissued common shares or preferred shares and to classify or reclassify unissued common shares or preferred shares and thereafter to authorize us to issue such classified or reclassified shares of beneficial interest will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise. The additional classes or series, as well as the common shares, will be available for issuance without further action by our common shareholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although our board of trustees does not intend to do so, it could authorize us to issue a class or series that could, depending upon the terms of the particular class or series, delay, defer or prevent a change in control or other transaction that might involve a premium price for our common shares or otherwise be in the best interests of our shareholders.

**Restrictions on Ownership and Transfer**

For us to qualify as a REIT under the Code our shares of beneficial interest must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of our outstanding shares of beneficial interest may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year.

Because our board of trustees believes it is at present essential for us to qualify as a REIT, among other purposes, our declaration of trust provides that, subject to certain exceptions, no person may beneficially or constructively own more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our shares of beneficial interest, which we refer to as the ownership limit.

Our declaration of trust also prohibits any person from (i) beneficially owning shares of beneficial interest to the extent that such beneficial ownership would result in our being closely held within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of the taxable year), (ii) transferring our shares of beneficial interest to the extent that such transfer would result in our shares of beneficial interest being beneficially owned by less than 100 persons (determined

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under the principles of Section 856(a)(5) of the Code), (iii) beneficially or constructively owning our shares of beneficial interest to the extent such beneficial or constructive ownership would cause us to constructively own ten percent or more of the ownership interests in a tenant (other than a taxable REIT subsidiary, or TRS) of our real property within the meaning of Section 856(d)(2)(B) of the Code or (iv) beneficially or constructively owning or transferring our shares of beneficial interest if such ownership or transfer would otherwise cause us to fail to qualify as a REIT under the Code, including, but not limited to, as a result of any operators that manage qualified healthcare properties for a TRS failing to qualify as eligible independent contractors under the REIT rules. Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of our shares of beneficial interest that will or may violate any of the foregoing restrictions on ownership and transfer, or any person who would have owned our shares of beneficial interest that resulted in a transfer of shares to a charitable trust (as described below), is required to give written notice immediately to us, or in the case of a proposed or attempted transaction, to give at least 15 days prior written notice, and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT. The foregoing restrictions on ownership and transfer will not apply if our board of trustees determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT, or that compliance with the restrictions on ownership and transfer is no longer required for us to qualify as a REIT.

Our board of trustees, in its sole discretion, may prospectively or retroactively exempt a person from the restrictions described in the paragraph above (other than the restriction described in clause (iv) of the preceding paragraph) and may establish or increase an excepted holder percentage limit for such person. The person seeking an exemption must provide to our board of trustees such representations, covenants and undertakings as our board of trustees may deem appropriate in order to conclude that granting the exemption will not cause us to fail to qualify as a REIT. Our board of trustees may not grant such an exemption to any person if such exemption would result in our failing to qualify as a REIT. Our board of trustees may require a ruling from the IRS or an opinion of counsel, in either case in form and substance satisfactory to the board of trustees, in its sole discretion, in order to determine or ensure our status as a REIT. Our board of trustees may from time to time increase or decrease the ownership limit for one or more persons, but any decreased ownership limit will not be effective for any person whose percentage ownership of our shares is in excess of the decreased ownership limit until the person's percentage ownership of our shares equals or falls below the decreased ownership limit (although any acquisition of our shares in excess of the decreased ownership limit will be in violation of the decreased ownership limit). Our board of trustees may not increase the ownership limit if the increase, taking into account any expected holder limits, would allow five or fewer individuals (including certain entities) to beneficially own more than 49.9% in value of our outstanding shares.

Any attempted transfer of our shares of beneficial interest which, if effective, would result in a violation of any of the restrictions described above will result in the number of shares causing the violation (rounded up to the nearest whole share) to be automatically transferred to one or more charitable trusts for the exclusive benefit of one or more charitable beneficiaries, except that any transfer that results in the violation of the restriction relating to our shares of beneficial interest being beneficially owned by fewer than 100 persons will be void ab initio. In either case, the proposed transferee will not acquire any rights in such shares. The automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of the purported transfer or other event that results in the transfer to the trust. Shares held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares held in the trust, will have no rights to dividends or other distributions and will have no rights to vote or other rights attributable to the shares held in the trust. The trustee of the trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary. Any dividend or other distribution paid prior to our discovery that shares have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or other distribution paid to the trustee will be held in trust for the charitable beneficiary. Subject to Maryland law, the trustee will have the authority (i) to rescind as void any vote cast by the proposed transferee prior to our discovery that the shares have been transferred to the trust and (ii) to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary. However, if we have already taken irreversible trust action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days of receiving notice from us that shares of beneficial interest have been transferred to the trust, the trustee will sell the shares to a person designated by the trustee, whose ownership of the shares will not violate the above restrictions on ownership and transfer. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiary as follows: The proposed transferee will receive the lesser of (i) the price paid by the proposed transferee for the shares or, if the event that resulted in the transfer to the trust did not involve a purchase of the shares at market price,

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the market price (as defined in our declaration of trust) of the shares on the day of the event causing the shares to be held in the trust and (ii) the price received by the trustee (net of any commission and other expenses of sale) from the sale or other disposition of the shares. The trustee may reduce the amount payable to the proposed transferee by the amount of dividends or other distributions paid to the proposed transferee and owed by the proposed transferee to the trustee. Any net sale proceeds in excess of the amount payable to the proposed transferee will be paid immediately to the charitable beneficiary. If, prior to our discovery that our shares have been transferred to the trust, the shares are sold by the proposed transferee, then (i) the shares shall be

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deemed to have been sold on behalf of the trust and (ii) to the extent that the proposed transferee received an amount for the shares that exceeds the amount he or she was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, shares of beneficial interest held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in the transfer to the trust (or, if the event that resulted in the transfer to the trust did not involve a purchase of the shares at market price, the market price of the shares on the day of the event causing the shares to be held in trust) and (ii) the market price on the date we, or our designee, accept the offer, which we may reduce by the amount of dividends and other distributions paid to the proposed transferee and owed by the proposed transferee to the trustee and pay such amount instead to the trustee for the benefit of the charitable beneficiary. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and any dividends or other distributions held by the trustee must be paid to the charitable beneficiary.

If a transfer to a charitable trust, as described above, would be ineffective for any reason to prevent a violation of the restrictions described above, the transfer that would have resulted in such violation will be void ab initio, and the proposed transferee shall acquire no rights in such shares.

All certificated shares will bear a legend referring to the restrictions described above (or a declaration that we will furnish a full statement about certain restrictions on transfer to a shareholder on request and without charge).

Every owner of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) of all classes or series of our shares of beneficial interest, within 30 days after the end of each taxable year, is required to give us written notice, stating his or her name and address, the number of shares of each class and series of our shares of beneficial interest that he or she beneficially owns and a description of the manner in which the shares are held. Each such owner must also provide us with such additional information as we may request in order to determine the effect, if any, of his or her beneficial ownership on our status as a REIT and to ensure compliance with the restrictions on ownership and transfer of our shares. In addition, each shareholder will upon demand be required to provide us with such information as we may request in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

These restrictions on ownership and transfer could delay, defer or prevent a transaction or a change in control that might involve a premium price for our common shares or otherwise be in the best interest of our shareholders.

### **Listing**

Our common shares are listed on the NYSE under the symbol **DOC**. On November 13, 2014, the closing price for our common shares, as reported on the NYSE, was \$15.69 per share. As of November 13, 2014, the number of shareholders of record of our common shares was 14.

### **Transfer Agent and Registrar**

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The transfer agent and registrar for our common shares is Computershare Trust Company, N.A.

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**CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR  
DECLARATION OF TRUST AND BYLAWS**

*Although the following summary describes certain provisions of Maryland law and of our declaration of trust and bylaws, it is not a complete description of Maryland law and our declaration of trust and bylaws. Copies of our declaration of trust and bylaws are incorporated by reference as exhibits to the registration statement of which this prospectus is a part. See [Where You Can Find More Information](#).*

**Number of Trustees; Vacancies**

Our declaration of trust and bylaws provide that the number of our trustees may be established by our board of trustees but may not be less than the minimum number required by the MRL, if any, nor more than 15. Pursuant to our declaration of trust, we have also elected to be subject to the provision of Subtitle 8 of Title 3 of the MGCL regarding the filling of vacancies on our board of trustees. Accordingly, except as may be provided by our board of trustees in setting the terms of any class or series of shares of beneficial interest, any and all vacancies on our board of trustees may be filled only by the affirmative vote of a majority of the remaining trustees in office, even if the remaining trustees do not constitute a quorum, and any individual elected to fill such vacancy will serve for the remainder of the full term of the class in which the vacancy occurred and until a successor is duly elected and qualifies.

Each of our trustees will be elected by our shareholders to serve for a one-year term and until his or her successor is duly elected and qualifies. A plurality of all votes cast on the matter at a meeting of shareholders at which a quorum is present is sufficient to elect a trustee. The presence in person or by proxy of shareholders entitled to cast a majority of all the votes entitled to be cast at a meeting constitutes a quorum.

**Removal of Trustees**

Our declaration of trust provides that, subject to the rights of holders of any class or series of preferred shares, a trustee may be removed only for cause, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of trustees. For this purpose, cause means, with respect to any particular trustee, conviction of a felony or a final judgment of a court of competent jurisdiction holding that such trustee caused demonstrable, material harm to us through bad faith or active and deliberate dishonesty. These provisions, when coupled with the exclusive power of our board of trustees to fill vacancies on our board of trustees, generally precludes shareholders from (i) removing incumbent trustees except for cause and with a substantial affirmative vote and (ii) filling the vacancies created by such removal with their own nominees.

**Business Combinations**

Under certain provisions of the MGCL applicable to Maryland real estate investment trusts, certain business combinations, including a merger, consolidation, statutory share exchange or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities, between a Maryland real estate investment trust and an interested shareholder or, generally, any person who beneficially owns, directly or indirectly, 10%



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or more of the voting power of the real estate investment trust's outstanding voting shares or an affiliate or associate of the real estate investment trust who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding voting shares of beneficial interest of the real estate investment trust, or an affiliate of such an interested shareholder, are prohibited for five years after the most recent date on which the interested shareholder becomes an interested shareholder. Thereafter, any such business combination must be recommended by the board of trustees of such real estate investment trust and approved by the affirmative vote of at least (a) 80% of the votes entitled to be cast by holders of outstanding voting shares of beneficial interest in the real estate investment trust and (b) two-thirds of the votes entitled to be cast by holders of voting shares of beneficial interest in the real estate investment trust other than shares held by the interested shareholder with whom (or with whose affiliate) the business combination is to be effected or held by an affiliate or associate of the interested shareholder, unless, among other conditions, the real estate investment trust's common shareholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested shareholder for its shares. Under the MGCL, a person is not an interested shareholder if the board of trustees approved in advance the transaction by which the person otherwise would have become an interested shareholder. A real estate investment trust's board of trustees may provide that its approval is subject to compliance with any terms and conditions determined by it.

These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by a board of trustees prior to the time that the interested shareholder becomes an interested shareholder. Pursuant to the statute, our board of trustees has by resolution exempted business combinations between us and any other person from these provisions of the MGCL, provided that

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the business combination is first approved by our board of trustees, including a majority of trustees who are not affiliates or associates of such person, and, consequently, the five year prohibition and the supermajority vote requirements will not apply to such business combinations. As a result, any person may be able to enter into business combinations with us that may not be in the best interests of our shareholders without compliance by us with the supermajority vote requirements and other provisions of the statute. This resolution, however, may be altered or repealed in whole or in part at any time. If this resolution is repealed, or our board of trustees does not otherwise approve a business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

**Control Share Acquisitions**

The MGCL provides that holders of control shares of a Maryland real estate investment trust acquired in a control share acquisition have no voting rights with respect to the control shares except to the extent approved by the affirmative vote of at least two-thirds of the votes entitled to be cast on the matter, excluding shares of beneficial interest in a real estate investment trust in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of such shares in the election of trustees: (1) a person who makes or proposes to make a control share acquisition, (2) an officer of the real estate investment trust or (3) an employee of the real estate investment trust who is also a trustee of the real estate investment trust. Control shares are voting shares which, if aggregated with all other such shares owned by the acquirer, or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing trustees within one of the following ranges of voting power: (A) one-tenth or more but less than one-third, (B) one-third or more but less than a majority or (C) a majority or more of all voting power. Control shares do not include shares that the acquirer is then entitled to vote as a result of having previously obtained shareholder approval or shares acquired directly from the real estate investment trust. A control share acquisition means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses and making an acquiring person statement as described in the MGCL), may compel a Maryland real estate investment trust to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the real estate investment trust may itself present the question at any shareholders meeting.

If voting rights are not approved at the meeting or if the acquirer does not deliver an acquiring person statement as required by the statute, then, subject to certain conditions and limitations, the real estate investment trust may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of shareholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a shareholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights, unless our declaration of trust or bylaws provide otherwise. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The control share acquisition statute does not apply to (a) shares acquired in a merger, consolidation or statutory share exchange if the real estate investment trust is a party to the transaction or (b) acquisitions approved or exempted by the declaration of trust or bylaws of the real estate investment trust.

Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of our shares. There is no assurance that such provision will not be amended or eliminated at any time in the future.

**Subtitle 8**

Subtitle 8 of Title 3 of the MGCL permits a Maryland real estate investment trust with a class of equity securities registered under the Securities Exchange Act of 1934 (as amended, the Exchange Act ) and at least three independent trustees to elect to be subject, by provision in its declaration of trust or bylaws or a resolution of its board of trustees and notwithstanding any contrary provision in the declaration of trust or bylaws, to any or all of five provisions:

- a classified board;
- a two-thirds vote requirement for removing a trustee;
- a requirement that the number of trustees be fixed only by vote of the trustees;
- a requirement that a vacancy on the board be filled only by the remaining trustees and, if the board is classified, for the remainder of the full term of the class of trustees in which the vacancy occurred; and
- a majority requirement for the calling of a shareholder-requested special meeting of shareholders.

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Pursuant to our declaration of trust, we have elected to be subject to the provision of Subtitle 8 that requires that vacancies on our board may be filled only by the remaining trustees and for the remainder of the full term of the trusteeship in which the vacancy occurred. Through provisions in our declaration of trust and bylaws unrelated to Subtitle 8, we already (1) require the affirmative vote of the holders of not less than two-thirds of all of the votes entitled to be cast on the matter for the removal of any trustee from the board, which removal will be allowed only for cause, (2) vest in the board the exclusive power to fix the number of trusteeships, (3) require that a vacancy on the board be filled only by the remaining trustees and (4) require, unless called by our chairman, chief executive officer, president or the board of trustees, the written request of shareholders entitled to cast not less than a majority of the votes entitled to be cast at such meeting to call a special meeting of shareholders.

**Meetings of Shareholders**

Pursuant to our declaration of trust and bylaws, a meeting of our shareholders for the purpose of the election of trustees and the transaction of any business will be held annually on a date and at the time and place set by our board of trustees. A special meeting of our shareholders to act on any matter that may properly be brought before a meeting of our shareholders also will be called by our secretary upon the written request of shareholders entitled to cast not less than a majority of all the votes entitled to be cast at the meeting on such matter and containing the information required by our bylaws. Our secretary will inform the requesting shareholders of the reasonably estimated cost of preparing and delivering the notice of meeting (including our proxy materials), and the requesting shareholder must pay such estimated cost before our secretary is required to prepare and deliver the notice of the special meeting.

**Mergers; Extraordinary Transactions**

Under the MRL, a Maryland real estate investment trust generally cannot merge with, or convert to, another entity unless advised by its board of trustees and approved by the affirmative vote of shareholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the trust's declaration of trust. Our declaration of trust provides that mergers must be advised by our board of trustees and approved by a majority of all of the votes entitled to be cast on the matter and is silent with respect to conversions. Our declaration of trust also provides that we may sell or transfer all or substantially all of our assets if approved by our board of trustees and by the affirmative vote of a majority of all the votes entitled to be cast on the matter. However, many of our operating assets will be held by our subsidiaries, and these subsidiaries may be able to sell all or substantially all of their assets or merge with another entity without the approval of our shareholders.

**Amendment to Our Declaration of Trust and Bylaws**

Under the MRL, a Maryland real estate investment trust generally cannot amend its declaration of trust unless advised by its board of trustees and approved by the affirmative vote of shareholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter unless a different percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the trust's declaration of trust.

Except for amendments to the provisions of our declaration of trust related to the removal of trustees and the vote required to amend the provision regarding amendments to the removal provisions itself (each of which require the affirmative vote of not less than two-thirds of all the votes entitled to be cast on the matter) and certain amendments described in our declaration of trust that require only approval by our board of trustees, our declaration of trust may be amended only with the approval of our board of trustees and the affirmative vote of not less than a

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majority of all of the votes entitled to be cast on the matter.

Our board of trustees has the exclusive power to adopt, alter or repeal any provision of our bylaws and to make new bylaws.

### **Our Termination**

Our declaration of trust provides for us to have a perpetual existence. Our termination must be approved by a majority of our entire board of trustees and the affirmative vote of not less than a majority of all of the votes entitled to be cast on the matter.

### **Advance Notice of Trustee Nominations and New Business**

Our bylaws provide that, with respect to an annual meeting of shareholders, nominations of individuals for election to our board of trustees at an annual meeting and the proposal of other business to be considered by shareholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our board of trustees or (3) by a shareholder of record both at the time of giving of notice and at the time of the annual meeting, who is entitled to vote at the meeting and has complied with the advance notice provisions set forth in our bylaws. Our bylaws currently require the shareholder generally to provide notice to the secretary containing the

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information required by our bylaws not less than 120 days nor more than 150 days prior to the first anniversary of the date of our proxy statement for the solicitation of proxies for election of trustees at the preceding year's annual meeting, or if the date of the meeting is advanced or delayed by more than 30 days from the first anniversary of the preceding year's annual meeting, or with respect to the first annual meeting after this offering, not more than 150 days before the date of such meeting and not less than the later of 120 days before the date of such meeting or 10 days after the date on which we first publicly announce the date of such meeting.

With respect to special meetings of shareholders, only the business specified in our notice of meeting may be brought before the meeting. Nominations of individuals for election to our board of trustees at a special meeting may be made only by or at the direction of our board of trustees or provided that our board of trustees has determined that trustees will be elected at such meeting, by a shareholder who has complied with the advance notice provisions set forth in our bylaws. Such shareholder may nominate one or more individuals, as the case may be, for election as a trustee if the shareholder's notice containing the information required by our bylaws is delivered to the secretary not earlier than the 120th day prior to such special meeting and not later than 5:00 p.m., Eastern Time, on the later of (1) the 90th day prior to such special meeting or (2) the tenth day following the day on which public announcement is first made of the date of the special meeting and the proposed nominees of our board of trustees to be elected at the meeting.

**Anti-takeover Effect of Certain Provisions of Maryland Law and of Our Declaration of Trust and Bylaws**

If the applicable exemption in our bylaws is repealed and the applicable resolution of our board of trustees is repealed, the control share acquisition provisions and the business combination provisions of the MGCL, respectively, as well as the provisions in our declaration of trust and bylaws, as applicable, on removal of trustees and the filling of trustee vacancies and the restrictions on ownership and transfer of shares of beneficial interest, together with the advance notice and shareholder requested special meeting provisions of our bylaws, alone or in combination, could serve to delay, deter or prevent a transaction or a change in our control that might involve a premium price for holders of our common shares or otherwise be in their best interests.

**Indemnification and Limitation of Trustees and Officers Liability**

Maryland law permits a Maryland real estate investment trust to include in its declaration of trust a provision eliminating the liability of its trustees and officers to the trust and its shareholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our declaration of trust contains a provision which eliminates our trustees' and officers' liability to the maximum extent permitted by Maryland law.

Maryland law permits a Maryland real estate investment trust to indemnify its present and former trustees and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or threatened to be made a party by reason of their service in those or other capacities unless it is established that: (a) the act or omission of the trustee or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty; (b) the trustee or officer actually received an improper personal benefit in money, property or services; or (c) in the case of any criminal proceeding, the trustee or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland real estate investment trust may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, Maryland law permits a Maryland real estate investment trust to advance reasonable expenses to a trustee or officer upon the corporation's receipt of (a) a written affirmation by the trustee or officer of his or her good faith belief

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that he or she has met the standard of conduct necessary for indemnification and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the trust if it is ultimately determined that the standard of conduct was not met.

Our declaration of trust authorizes us to obligate ourselves and our bylaws obligate us, to the maximum extent permitted by Maryland law, to indemnify any present or former trustee or officer or any individual who, while a trustee or officer of our company and at our request, serves or has served as a trustee, director, officer, partner, member, manager, employee, or agent of another real estate investment trust, corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any of the foregoing capacities and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. Our declaration of trust and bylaws also permit us to indemnify and advance expenses to any individual who served a predecessor of our company in any of the capacities described above and any employees or agents of our company or a predecessor of our company.

We have entered into indemnification agreements with each of our executive officers and trustees whereby we agree to

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indemnify such executive officers and trustees to the fullest extent permitted by Maryland law against all expenses and liabilities, subject to limited exceptions. These indemnification agreements also provide that upon an application for indemnity by an executive officer or trustee to a court of appropriate jurisdiction, such court may order us to indemnify such executive officer or trustee.

**REIT Qualification**

Our declaration of trust provides that our board of trustees may revoke or otherwise terminate our REIT election, without approval of our shareholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT.



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**DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN**

**Description of the Plan**

*Who is eligible to participate in the Plan?*

New investors and existing shareholders of the Company are eligible to participate in the Plan. If you own common shares that are registered in someone else's name (for example, a bank, broker, or trustee) and you want to participate in the Plan, you may be able to arrange for that person to handle the reinvestment of dividends. If not, your common shares should be withdrawn from street name or other form of registration and should be registered in your own name. Alternatively, your broker or bank may offer a program that allows you to participate in a plan without having to withdraw your common shares from street name.

*What are the benefits of the Plan?*

- The Plan provides you with the opportunity to automatically reinvest cash dividends paid on all or a portion of your common shares (including common shares held in your Plan account) in additional common shares without payment of any fees or other charges to the extent common shares are purchased directly from us.
- The Plan provides eligible shareholders and new investors with the opportunity each month to make optional cash payments or initial investments, respectively, to purchase additional common shares, subject to minimum and maximum purchase limits, without payment of any fees or other charges to the extent common shares are purchased directly from us.
- You may purchase fractional common shares under the Plan, which means you may fully reinvest all cash dividends or fully invest any optional cash payments or initial investments. Dividends on fractional shares, as well as on whole shares, also can be reinvested in additional common shares which will be credited to your Plan account.
- You will receive a transaction advice confirming the details of each transaction that you make and, if you participate in the dividend reinvestment feature, you will receive a quarterly statement of your account.

*What are the disadvantages of the Plan?*

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- We will not pay you any interest on dividends, optional cash payments or initial investments held by the Administrator before the investment date.
- The purchase price of common shares that you purchase under the Plan will not be determined until the applicable investment date. As a result, you will not know the actual price per share or number of common shares you will purchase until that date.
- If you decide to make optional cash payments or an initial investment in our common shares under the Plan, your payments or investment may be exposed to changes in market conditions for a longer period of time than if you had arranged to buy common shares through a broker.
- If you request the Administrator to sell common shares from your Plan account, the Administrator will deduct a service fee and per share processing fees from the proceeds of the sale.

### *How does a new investor participate in the Plan?*

If you are a new investor and would like to participate in the Plan, please read this prospectus before you invest. Once you have read this prospectus, you may complete an enrollment form and mail it to the Administrator. Alternatively, you may enroll on-line through Investor Centre at [www.computershare.com/investor](http://www.computershare.com/investor). Please follow the instructions for authorizing an initial investment and indicate whether you want to participate in the dividend reinvestment portion of the Plan.

New investors can participate in the Plan by making an initial investment in our common shares of not less than \$1,000 up to a maximum of \$10,000. If you are a new investor, you may make an initial investment by:

- Authorizing an electronic debit of at least \$1,000 but not more than \$10,000 from your U.S. bank account. This alternative is available to on-line investors only; or
- Mailing a check (in U.S. dollars and drawn from a U.S. bank) for at least \$1,000 but not more than \$10,000 to the

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Administrator along with your enrollment form. Please make the check payable to Physicians Realty Trust/Computershare.

#### *How does an existing shareholder participate in the Plan?*

Enrollment is available on-line through Investor Centre at [www.computershare.com/investor](http://www.computershare.com/investor). Alternatively, you may enroll by completing an enrollment form and mailing it to the Administrator. Your participation will begin promptly after your Plan enrollment is received. Once you enroll, your participation continues automatically for as long as you wish to participate in the Plan.

You may change your dividend reinvestment election at any time on-line through Investor Centre, by telephone or by notifying the Administrator in writing. To be effective with respect to a particular dividend, any such change must be received by the Administrator before the record date for that dividend. Except in unusual circumstances, the record date will be approximately seven to 14 days in advance of the dividend payment date.

You may, of course, choose not to reinvest any of your dividends, in which case the Administrator will remit any dividends to you by check or automatic deposit to a U.S. bank account that you designate.

#### *As an existing shareholder, what are my investment options under the Plan?*

Once enrolled in the Plan, you may elect to:

- Reinvest all or a portion of your dividends in additional common shares; and/or
- Make optional cash payments of not less than \$50 up to a maximum of \$10,000 per month regardless of whether dividends are being reinvested. The \$50 minimum applies only to optional cash payments by existing Plan participants. New investors must make an initial investment of not less than \$1,000.

#### *How do I make an optional cash payment under the Plan?*

If you already own our common shares, are enrolled in the Plan and want to make optional cash payments, you can authorize an individual automatic deduction from your U.S. bank account through Investor Centre or send a check (in U.S. dollars and drawn from a U.S. bank) to the Administrator for each optional cash payment. Please make the check payable to Physicians Realty Trust/Computershare. If you choose to submit a check, please make sure to include the contribution form from your Plan statement and mail it to the address specified on the Plan

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statement. The Administrator will not accept cash, traveler's checks, money orders or third-party checks. If you wish to make regular monthly optional cash payments, you may authorize automatic monthly deductions from your U.S. bank account. Optional cash payments may not be less than \$50, and the total of all optional cash payments may not exceed \$10,000 in any month.

### *Who is the administrator of the Plan?*

Computershare Trust Company, N.A. (the Administrator) administers the Plan. Certain administrative support will be provided to the Administrator by its designated affiliates. If you have questions regarding the Plan, please write to the Administrator at the following address: Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170, or call the Administrator at 1-800-522-6645 (if you are inside the United States or Canada) or 1-201-680-6578 (if you are outside the United States or Canada). An automated voice response system is available 24 hours a day, 7 days a week. Customer service representatives are available from 9:00 a.m. to 5:00 p.m., Eastern Standard Time, Monday through Friday (except holidays). In addition, you may visit the Computershare website at [www.computershare.com/investor](http://www.computershare.com/investor). At this website, you can enroll in the Plan, obtain information, and perform certain transactions on your Plan account via Investor Centre. See Administration for more information regarding Investor Centre and the administration of the Plan.

### *When are funds invested under the Plan?*

The investment date for initial investments and optional cash payments will be the 10th day of the month, or the next succeeding trading day if the 10th is not a trading day. The investment date for reinvested cash dividends will be the dividend payment date (generally, during or shortly before the first week of February, May, August and November). In the unlikely event that, due to unusual market conditions, the Administrator is unable to invest the funds within 30 days for reinvested cash dividends and 35 days for initial investments and optional cash payments, the Administrator will return the funds to you by check. No interest will be paid on funds held by the Administrator pending investment.

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*Who pays the fees and other expenses?*

We will pay all fees or other charges on common shares purchased through the Plan. You may be responsible for certain charges if you withdraw from the Plan.

**Purpose**

The purpose of the Plan is to provide a convenient and economical way for our shareholders to invest all or a portion of their cash dividends in additional common shares. The Plan also allows our shareholders and new investors to purchase additional common shares.

**Eligibility of New Investors**

If you are a new investor, you can participate in the Plan by making an initial investment in our common shares of not less than \$1,000 up to a maximum of \$10,000. New investors may join the Plan by completing an enrollment form and delivering it, along with an initial investment, to the Administrator. Alternatively, you may enroll in the Plan on-line through Investor Centre at [www.computershare.com/investor](http://www.computershare.com/investor). See *How does a new investor participate in the Plan?* for more information on how to make an initial investment through Investor Centre.

**Eligibility of Existing Shareholders**

If you are a current holder of record of our common shares, you may participate in the Plan unless receipt of common shares through the Plan would cause you to beneficially own more than 9.8% of our outstanding common shares. See *Description of our Common Shares - Restrictions on Ownership and Transfer* for more information. Eligible shareholders may join the Plan by completing an enrollment form and delivering it to the Administrator. Alternatively, you may enroll in the Plan on-line through Investor Centre at [www.computershare.com/investor](http://www.computershare.com/investor). See *How do I make an optional cash payment under the Plan?* for more information on how to make an optional cash payment through Investor Centre.

If you own common shares that are registered in someone else's name (for example, a bank, broker, or trustee) and you want to participate in the Plan, you may be able to arrange for that person to handle the reinvestment of dividends. If not, your common shares should be withdrawn from street name or other form of registration and should be registered in your own name. Alternatively, your broker or bank may offer a program that allows you to participate in a plan without having to withdraw your common shares from street name.

If you are already a participant in the Plan, you need not take any further action in order to maintain your present participation.

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### Administration

Computershare Trust Company, N.A. (the Administrator ) administers the Plan. Certain administrative support will be provided to the Administrator by its designated affiliates.

You can enroll in the Plan, obtain information, and perform certain transactions on your Plan account on-line via Investor Centre.

To access Investor Centre please visit the Computershare website at:

[www.computershare.com/investor](http://www.computershare.com/investor)

You can contact shareholder customer service toll-free within the United States and Canada at: 1-800-522-6645

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If you are calling from outside the United States or Canada, please contact shareholder customer service at: 1-201-680-6578

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An automated voice response system is available 24 hours a day, 7 days a week. Customer service representatives are available from 9:00 a.m. to 5:00 p.m., Eastern Standard Time, Monday through Friday (except holidays).

You may write to the Administrator at the following address:

Computershare Trust Company, N.A.

P.O. Box 30170

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College Station, TX 77842-3170

Please include a reference to Physicians Realty Trust in all correspondence.

### **Purchases and Pricing of Common Shares**

The purchase price for purchases of common shares in the open market or through privately negotiated transactions will be the weighted average of the actual prices paid for such common shares on the investment date or the next trading day if the investment date is not a trading day. Neither we nor any participant will have any authority or power to direct the date, time or price at which common shares may be purchased, or the selection of the broker or dealer through or from whom purchases are to be made.

With respect to reinvested dividends, initial investments and optional cash payments, the market price for purchases of common shares directly from us will be equal to the average of the high and low reported sales prices of our common shares on the NYSE on the investment date or the next trading day if the investment date is not a trading day.

For reinvested cash dividends, the investment date will be the dividend payment date for the quarter. Dividend payment dates normally occur during or shortly before the first week of February, May, August and November. The investment date for initial investments and optional cash payments will be the 10th day of the month, or the next succeeding trading day if the 10th is not a trading day. Your account will be credited with that number of common shares, including fractions computed to six decimal places, equal to the total amount to be invested by you divided by the applicable purchase price per share.

Except for certain charges incurred in connection with withdrawal from the Plan, there are no fees or other charges on common shares purchased through the Plan.

### **Participation**

Any eligible shareholder and new investor may join the Plan by completing an enrollment form and returning it to the Administrator at the following address: Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170. If you are an eligible shareholder, you may submit an initial optional cash payment of between \$50 and \$10,000 with your completed enrollment form. If you are a new investor, you must submit an initial investment of between \$1,000 and \$10,000 with your completed enrollment form. Alternatively, you may enroll on-line at [www.computershare.com/investor](http://www.computershare.com/investor).

If the Administrator receives your enrollment form before the record date for the payment of the next dividend (approximately seven to 14 days in advance of the dividend payment date), that dividend will be invested in additional common shares for your Plan account. If the enrollment

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form is received in the period after any dividend record date, that dividend will be paid by check or automatic deposit to a U.S. bank account that you designate and your initial dividend reinvestment will commence with the following dividend.

Once enrolled in the Plan, you may meet your individual objectives by choosing among the following categories or combinations of investments:

- You may reinvest all or a portion of the cash dividends paid on your common shares in additional common shares.
- You may invest by making optional cash payments of not less than \$50 up to a maximum of \$10,000 per month regardless of whether dividends are being reinvested.

The \$50 minimum described above applies only to optional cash payments by Plan participants. New investors must make an initial investment of not less than \$1,000.

By enrolling in the Plan, you direct the Administrator to apply dividends and any optional cash payments you might make as a participant to the purchase of additional common shares in accordance with the Plan's terms and conditions. Unless otherwise instructed, the Administrator will automatically reinvest all dividends declared on common shares held under the Plan. If you do not want the dividends paid on your common shares to be reinvested, you must provide notice to the Administrator. See Administration for information on how to contact the Administrator. To be effective for a particular dividend payment, the Administrator must receive such notice before the record date for that dividend (approximately seven to 14 days in advance of the dividend payment date). If the notice is received after the record date, dividends paid on common shares held in your account will be reinvested and credited to your account. Your request will then be processed as soon as practicable after the dividends are reinvested.

Optional cash payments and initial investments may be delivered to the Administrator in the form of a check (in U.S. dollars and drawn from a U.S. bank) made payable to Physicians Realty Trust/Computershare, or by authorizing electronic transfers from your U.S. bank account by accessing your Plan account on-line through Investor Centre at [www.computershare.com/investor](http://www.computershare.com/investor). If you send a check,



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please complete the transaction stub attached to your Plan statement and then mail it with your payment to the address specified on the Plan statement. A \$35 fee will be assessed for a check or electronic debit that is returned for insufficient funds.

The Administrator must receive the optional cash payment of an existing shareholder at least one business day prior to the investment date.

### **Cost**

We will pay all fees, the annual cost of administration and, unless provided otherwise in the Plan, all other charges incurred in connection with the purchase of common shares acquired under the Plan, if any. Certain charges may be incurred by you if you withdraw from the Plan as described below. See **Withdrawal by Participant**.

### **Date for Investment of Funds under the Plan**

For reinvested cash dividends, the investment date will be the dividend payment date for the quarter. Dividend payment dates normally occur during or shortly before the first week of February, May, August and November. The investment date for initial investments and optional cash payments will be the 10th day of the month, or the next succeeding trading day if the 10th is not a trading day. In the unlikely event that, due to unusual market conditions, the Administrator is unable to invest the funds within 30 days for reinvested cash dividends and 35 days for initial investments and optional cash payments, the Administrator will return the funds to you by check. No interest will be paid on funds held by the Administrator pending investment.

### **Initial Investments by New Investors**

New investors may participate in the Plan by making an initial investment in our common shares of not less than \$1,000 up to a maximum of \$10,000. An initial investment by a new investor may be made by enclosing a check with the enrollment form. Checks (in U.S. dollars and drawn from a U.S. bank) should be made payable to Physicians Realty Trust/Computershare. Alternatively, new investors may enroll on-line at [www.computershare.com/investor](http://www.computershare.com/investor).

The Administrator must receive your payment at least one business day prior to the investment date. Funds received after the investment date will be held for investment in the following month. If you deliver an initial investment to the Administrator, but decide that you do not want to make the initial investment, you must deliver a written request for a refund to the Administrator. See **Administration** for information on how to contact the Administrator. The Administrator must receive your request for a refund no later than two business days prior to the investment date. In the unlikely event that, due to unusual market conditions, the Administrator is unable to invest the funds within 35 days, the Administrator will return the funds to you by check. No interest will be paid on funds held by the Administrator pending investment.

**Optional Cash Payments by Existing Shareholder**

Every month, you may purchase additional common shares through optional cash payments, regardless of whether dividends are being reinvested. Optional cash payments may not be less than \$50, and the total of all optional cash payments submitted by an individual shareholder may not exceed \$10,000 in any month. The \$50 minimum applies only to optional cash payments by existing Plan participants. New investors must make an initial investment of not less than \$1,000. There is no obligation either to make an optional cash payment in any month or to invest the same amount of cash in each month.

If you already own common shares, are enrolled in the Plan and want to make optional cash payments, you may authorize an individual automatic deduction from your bank account through Investor Centre or send a check to the Administrator for each optional cash payment. If you choose to submit a check, please make sure to include the contribution form from your Plan statement and mail it to the address specified on the Plan statement. Checks (in U.S. dollars and drawn from a U.S. bank) should be made payable to Physicians Realty Trust/Computershare. If you wish to make regular monthly optional cash payments, you may authorize automatic monthly deductions from your U.S. bank account on-line at <http://www.computershare.com/investor> or by completing a Direct Debit Authorization Form and mailing it to the Administrator. This feature enables you to make ongoing investments in our common shares without writing a check. Funds will be deducted from your bank account on the 5th day of each month or, if the 5th is not a business day, the next business day.

Optional cash payments must be sent so that the Administrator receives the payment at least one business day prior to the investment date. Funds received after the investment date will be held for investment in the following month. If you deliver an optional cash payment to the Administrator, but decide that you do not want to make the optional cash payment, you must deliver a written request for a refund to the Administrator. See Administration for information on how to contact the Administrator. The Administrator

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must receive your request for a refund no later than two business days prior to the investment date. In the unlikely event that, due to unusual market conditions, the Administrator is unable to invest the funds within 35 days, the Administrator will return the funds to you by check. No interest will be paid on funds held by the Administrator pending investment.

In the event that any check or other deposit is returned unpaid for any reason or your pre-designated U.S. bank account does not have sufficient funds for an automatic withdrawal, the Administrator will consider the request for investment of that purchase null and void. The Administrator will immediately remove from your Plan account any common shares already purchased in anticipation of receiving those funds and will sell such common shares. If the net proceeds from the sale of those common shares are insufficient to satisfy the balance of the uncollected amounts, the Administrator may sell additional common shares from your Plan account as necessary to satisfy the uncollected balance. There is a \$35 charge for any check, electronic fund transfer or other deposit that is returned unpaid by your bank. This fee will be collected by the Administrator through the sale of the number of common shares from your Plan account necessary to satisfy the fee. You will be responsible for customary fees incurred in connection with any such sale.

**Number of Common Shares to be Purchased for the Participant**

The number of common shares, including fractional shares, purchased under the Plan will depend on the amount of your cash dividend, the amount of your optional cash payments, the amount of your initial investment, and the price of the common shares determined as provided above. Common shares purchased under the Plan, including fractional shares, will be credited to your account. Both whole and fractional shares will be purchased. Fractional shares will be computed to six decimal places.

This prospectus relates to 1,500,000 common shares registered for sale under the Plan. We cannot assure you there will be enough common shares to meet the requirements under the Plan. If we do not have a sufficient number of registered common shares to meet the Plan requirements during any month, the portion of any reinvested dividends, optional cash payments, and initial investments received by the Administrator but not invested in our common shares under the Plan will be returned to participants without interest.

There is no special limitation on the cumulative number of common shares that may be purchased under the Plan. However, purchases under the Plan are subject to the general restrictions contained in our bylaws that prohibit purchases of common shares that could disqualify us as a REIT. See [Description of our Common Shares - Restrictions on Ownership and Transfer](#) for more information.

**Source of Common Shares Purchased Under the Plan**

Common shares purchased under the Plan will normally come from our authorized but unissued common shares. However, we reserve the right to instruct the Administrator to purchase common shares for you in the open market, rather than issue new common shares. Such market purchases may be made on any securities exchange where our common shares are traded, in the over-the-counter market or in negotiated transactions, and may be on such terms as to price, delivery, and otherwise as the Administrator may determine. You will pay no fees or other charges on purchases under the Plan whether common shares are newly issued, issued from treasury or purchased in the open market.

**Method for Changing Dividend Reinvestment Election**

You may change your dividend reinvestment election at any time on-line through Investor Centre, by telephone or by notifying the Administrator in writing. See Administration for information on how to contact the Administrator. To be effective with respect to a particular dividend, any such change must be received by the Administrator on or before the record date for that dividend (approximately seven to 14 days in advance of the dividend payment date).

**Withdrawal by Participant**

You may discontinue the reinvestment of your dividends at any time by providing written or telephone notice to the Administrator. Alternatively, you may change your dividend election on-line through Investor Centre at [www.computershare.com/investor](http://www.computershare.com/investor). See Administration for information on how to contact the Administrator. If the Administrator receives your notice of withdrawal near a record date for the payment of the next dividend, the Administrator, in its sole discretion, may either distribute such dividends in cash or reinvest them. If such dividends are reinvested, the Administrator will process the withdrawal as soon as practicable, but in no event later than five business days after the reinvestment is completed. The Administrator will continue to hold your common shares unless you request a certificate for any full shares and a check for any fractional share, less a service fee of \$15 and any per share processing fees, currently 12 cents per share. Per share processing fees include any brokerage commissions the Administrator is required to pay.

Upon withdrawal, you may elect to stop the investment of any initial investment or optional cash payment by delivering a written request for a refund to the Administrator. The Administrator must receive your request for a refund no later than two business

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days prior to the investment date.

Generally, an eligible shareholder or new investor may again become a participant in the Plan. However, we reserve the right to reject the enrollment of a previous participant in the Plan on grounds of excessive joining and termination. This reservation is intended to minimize administrative expense and to encourage use of the Plan as a long-term investment service.

**Sale of Common Shares**

You may request that the Administrator sell your common shares as described below. The market price of our common shares may decline between the time you request to sell common shares and the actual time of sale.

*Market Order*

A market order is a request to sell our common shares promptly at the current market price. Market order sales are only available at [www.computershare.com/investor](http://www.computershare.com/investor), through Investor Centre, or by calling the Administrator directly at 1-800-522-6645. Market order sale requests received at [www.computershare.com/investor](http://www.computershare.com/investor), through Investor Centre, or by telephone will be placed promptly upon receipt during market hours (normally 9:30 a.m. to 4:00 p.m. Eastern Standard Time). Any orders received outside of market hours will be submitted to the Administrator's broker on the next day the market is open. Sales proceeds will equal the market price of the sale obtained by the Administrator's broker, net of taxes and fees. The Administrator will use commercially reasonable efforts to honor requests by participants to cancel market orders placed outside of market hours. Depending on the number of common shares being sold and current trading volume in the common shares, a market order may only be partially filled or not filled at all on the trading day in which it is placed, in which case the order, or remainder of the order, as applicable, will be cancelled at the end of such day. To determine if your shares were sold, you should check your account online at [www.computershare.com/investor](http://www.computershare.com/investor) or call the Administrator directly at 1-800-522-6645. If your market order sale was not filled and you still want the common shares to be sold, you will need to re-enter the sale request. The price shall be the market price of the sale obtained by the Administrator's broker, less a service fee of \$25 and a processing fee of \$0.12 per share sold.

*Batch Order*

A batch order is an accumulation of all sale requests for our common shares submitted together as a collective request. Batch orders are submitted on each market day, assuming there are sale requests to be processed. Sale instructions for batch orders received by the Administrator will be processed no later than five business days after the date on which the order is received (except where deferral is required under applicable federal or state laws or regulations), assuming the applicable market is open for trading and sufficient market liquidity exists. All sale requests received in writing will be submitted as batch order sales, unless such requests specify otherwise. Batch order sales may only be requested in writing. In every case of a batch order sale, the price shall be the weighted average sale price obtained by the Administrator's broker, less a service fee of \$15 and a processing fee of \$0.12 per share sold.

*Day Limit Order*

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A day limit order is an order to sell our common shares when and if they reach a specific trading price on a specific day. The order is automatically cancelled if the price is not met by the end of that day (or, for orders placed after market hours, the next day the market is open). Depending on the number of our common shares being sold and the current trading volume in the common shares, such an order may only be partially filled, in which case the remainder of the order will be cancelled. The order may be cancelled by the applicable stock exchange, by the Administrator at its sole discretion or, if the Administrator's broker has not filled the order, at your request made online at [www.computershare.com/investor](http://www.computershare.com/investor) or by calling the Administrator directly at 1-800-522-6645. A service fee of \$25 and a processing fee of \$0.12 per share sold will be deducted from the sale proceeds.

### *Good-Til-Cancelled ( GTC ) Limit Order*

A GTC limit order is an order to sell our common shares when and if the common shares reach a specific trading price at any time while the order remains open (generally up to 30 days). Depending on the number of common shares being sold and current trading volume in the common shares, sales may be executed in multiple transactions and over more than one day. If an order remains open for more than one day during which the market is open, a separate fee will be charged for each such day. The order (or any unexecuted portion thereof) is automatically cancelled if the trading price is not met by the end of the order period. The order may be cancelled by the applicable stock exchange, by the Administrator at its sole discretion or, if the Administrator's broker has not filled the order, at your request made online at [www.computershare.com/investor](http://www.computershare.com/investor) or by calling the Administrator directly at . A service fee of \$25 and a processing fee of \$0.12 per share sold will be deducted from the sale proceeds.

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#### *General*

All per share processing fees described in **Sale of Common Shares** include any brokerage commissions the Administrator is required to pay. All sales requests processed over the telephone by a customer service representative entail an additional fee of \$15. Fees are deducted from the proceeds derived from the sale. The Administrator may, under certain circumstances, require a transaction request to be submitted in writing. Please contact the Administrator to determine if there are any limitations applicable to your particular sale request. The Administrator also reserves the right to decline to process a sale if it determines, in its sole discretion, that supporting legal documentation is required. In addition, no one will have any authority or power to direct the time or price at which common shares for the Plan are sold (except for prices specified for day limit orders or GTC limit orders), and no one, other than Administrator will select the broker(s) or dealer(s) through or from whom sales are to be made.

You should be aware that the price of our common shares may rise or fall during the period between a request for sale, its receipt by the Administrator and the ultimate sale on the open market. Instructions sent to the Administrator to sell common shares are binding and may not be rescinded.

Alternatively, you may choose to sell common shares in your Plan account through a broker of your choice, in which case you should contact your broker about transferring common shares from your Plan account to your brokerage account.

#### **Share Certificates and Safekeeping**

Our common shares that you acquire under the Plan will be maintained in your Plan account in non-certificated form for safekeeping. Safekeeping protects your common shares against loss, theft or accidental destruction and also provides a convenient way for you to keep track of your common shares. Only common shares held in safekeeping may be sold through the Plan.

If you own our common shares in certificated form, you may deposit your certificates for those common shares with the Administrator, free of charge. Certificates should be delivered to the Administrator at 211 Quality Circle, Suite 210, College Station, TX 77845 by United States Post Office registered insured mail, a national courier service or other receipted delivery service.

#### **Reports to Participants**

Statements of your account activity will be sent to you after each transaction, which will simplify your record keeping. Each Plan account statement will show the amount invested, the purchase or sale price, the number of common shares purchased or sold and any applicable service fees, as well as any activity associated with share deposits or withdrawals. The statement will include specific cost basis information in accordance with applicable law. Please notify the Administrator promptly either in writing, by telephone or through the Internet if your address changes. In addition, you will receive copies of the same communications sent to all other holders of our common shares, such as annual reports and proxy statements. You also will receive any U.S. Internal Revenue Service ( IRS ) information returns, if required. Please retain all account statements for your records. The statements contain important tax and other information.

**Responsibilities under the Plan**

We, the Administrator and any agent will not be liable in administering the Plan for any act done in good faith, or for any omission to act in good faith, including, without limitation, any claim of liability arising out of failure to terminate a participant's account upon that participant's death prior to the receipt of notice in writing of such death. Since we have delegated all responsibility for administering the Plan to the Administrator, we specifically disclaim any responsibility for any of its actions or inactions in connection with the administration of the Plan.

You should recognize that neither we, the Administrator, nor any agent can assure you of a profit or protect you against a loss on common shares purchased under the Plan.

**Interpretation and Regulation of the Plan**

We reserve the right to interpret and regulate the Plan.

**Suspension, Modification or Termination of the Plan**

We reserve the right to suspend, modify or terminate the Plan at any time. Participants will be notified of any suspension, modification or termination of the Plan. Upon our termination of the Plan any whole book-entry shares owned will continue to be credited



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to a participant's account unless specifically requested otherwise. Any fractional share in your account will be remitted to you by check for the cash value of the fractional share based upon the then-current market price, less any applicable fees.

The Administrator may also terminate your Plan account if you do not own at least one whole common share. In the event that your Plan account is terminated for this reason, a check for the cash value of the fractional share based upon the then-current market price, less any applicable fees will be sent to you and your account will be closed.

**Miscellaneous**

*Effect of Stock Dividend, Stock Split or Rights Offering.* Any common shares we distribute as a common share dividend on common shares (including fractional shares) credited to your account under the Plan, or upon any split of such common shares, will be credited to your account. Share dividends or splits distributed on all other common shares held by you and registered in your own name will be mailed directly to you.

In a rights offering, rights applicable to common shares credited to your account under the Plan will be sold by the Administrator and the proceeds will be credited to your account under the Plan and applied to the purchase of common shares on the next investment date. If you want to exercise, transfer or sell any portion of the rights applicable to the common shares credited to your account under the Plan, you must request, at least two days prior to the record date for the issuance of any such rights, that common shares credited to your account be transferred from your account and registered in your name. Except in unusual circumstances, the record date will be approximately seven to 14 days in advance of the dividend payment date.

*Effect of Transfer of All Common Shares in Participant's Name.* If you dispose of all of our common shares registered in your name, but do not give notice of withdrawal to the Administrator, the Administrator will continue to reinvest the cash dividends on any common shares held in your account under the Plan until the Administrator is otherwise notified. See *Withdrawal by Participant* for more information on how to withdraw from the Plan.

*Voting of Participant's Common Shares Held under the Plan.* The common shares credited to your account under the Plan will be voted in accordance with your instructions. If you are a participant in the Plan and are not a holder of record of common shares in your own name, you will be furnished with a form of proxy covering the common shares credited to your account under the Plan. If you are a participant in the Plan and are the holder of record of common shares in your own name, your proxy will be deemed to include common shares, if any, credited to your account under the Plan and the common shares held under the Plan will be voted in the same manner as the common shares registered in your own name. If a proxy is not returned, none of your common shares will be voted unless you vote in person. If you want to vote in person at a meeting of shareholders, a proxy for common shares credited to your account under the Plan may be obtained upon written request received by the Administrator at least 15 days before the meeting.

*Pledging of Participant's Common Shares Held under the Plan.* You may not pledge any common shares that you hold in your Plan account. Any pledge of common shares in a Plan account is null and void. If you wish to pledge common shares, you must first withdraw those common shares from the Plan and request the Administrator to send you certificates for those common shares.

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### LIMITATION OF LIABILITY

The Plan provides that neither we nor the Administrator, nor any independent agent will be liable in administering the Plan for any act done in good faith or any omission to act in good faith in connection with the Plan. This limitation includes, but is not limited to, any claims of liability relating to:

- the failure to terminate your Plan account upon your death prior to receiving written notice of your death;

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