

FRANKLIN STREET PROPERTIES CORP.

CODE OF BUSINESS CONDUCT AND ETHICS

This Code of Business Conduct and Ethics (the “Code”) sets forth legal and ethical standards of conduct for directors, officers and employees of Franklin Street Properties Corp. (the “Company”). This Code is intended to deter wrongdoing and to promote the conduct of all Company business in accordance with high standards of integrity and professionalism and in compliance with all applicable laws and regulations. This Code applies to the Company and all of its subsidiaries and other business entities controlled by it worldwide.

Compliance with Laws, Rules and Regulations

The Company requires that all employees, officers and directors comply with all laws, rules and regulations applicable to the Company wherever it does business. Employees, officers and directors are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations and to ask for advice when uncertain about them.

Compliance with Company Policies

Every employee, officer and director is expected to comply with all Company policies and rules as in effect from time to time and be familiar with all such policies.

Conflicts of Interest

Employees, officers and directors must refrain from engaging in any activity or having a personal interest that presents a “conflict of interest” and should seek to avoid even the appearance of a conflict of interest. A conflict of interest occurs when a personal interest interferes with the business interests of the Company. A conflict of interest can arise whenever an officer, director or employee takes action or has an interest that prevents him/her from performing Company duties and responsibilities honestly, objectively and effectively.

For example:

- No employee, officer or director shall perform services as a consultant, employee, officer, director, advisor or in any other capacity for, or have a financial interest in, a direct competitor of the Company, other than services performed at the request of the Company and other than a financial interest representing less than one percent (1%) of the outstanding shares of a publicly-held company; and
- No employee, officer or director shall use his or her position with the Company to influence a transaction with a supplier or customer in which such person has any personal interest, other than a financial interest representing less than one percent (1%) of the outstanding shares of a publicly-held company.

Please note that a conflict of interest will **not** be deemed to have arisen (1) if service is as an officer or director of another entity (whether or not affiliated with the Company) at the request of the Company or (2) by virtue of ownership of the stock of entities that the Company either

sponsors or that are marketed and/or sold by the Company's broker/dealer subsidiary. It is the employee's responsibility to disclose any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest to the Company's General Counsel for employees, and for officers or directors, to the Board of Directors, who shall be responsible for determining whether such a transaction or relationship constitutes a conflict of interest.

Insider Trading

Employees, officers and directors who have material non-public information about the Company or other companies, including the Company's suppliers and investors (collectively, "Third Parties"), as a result of the relationship of such Third Parties with the Company, are prohibited by law and Company policy from trading in securities of the Company or such Third Parties, as well as from communicating such information to others who might trade on the basis of that information. To help ensure that employees, officers and directors do not engage in prohibited insider trading and avoid even the appearance of an improper transaction, the Company has adopted an Insider Trading Policy which has been made available to all employees, officers and directors.

Confidentiality

Employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by the Company and the confidentiality of the information entrusted to them by Third Parties and must not disclose any such information, except to the extent disclosure is made following authorization by a supervisor, is otherwise permitted by the Company's policies, or is made in connection with a Permitted Activity (as defined in the bold language below). Any other disclosure of confidential information of the Company or confidential information of Third Parties is prohibited. Additionally, employees should take appropriate precautions to ensure that confidential or sensitive business information, whether it is proprietary to the Company or a Third Party, is not communicated within the Company except to employees who have a need to know such information to perform their responsibilities for the Company.

Third parties may ask for information concerning the Company. Subject to the disclosure exceptions noted in the preceding and subsequent paragraph (including the exception regarding disclosures in connection with a Permitted Activity (as defined in the bold language below)), employees, officers and directors (other than the Company's authorized spokespersons) must not discuss internal Company matters with, or disseminate internal Company information to, anyone outside the Company other than the Company's attorneys, auditors or similar professional service providers, except as required in the performance of Company duties and after an appropriate confidentiality agreement is in place. This prohibition applies particularly to inquiries concerning the Company from the media, market professionals (such as securities analysts, institutional investors, investment advisers, brokers and dealers) and security holders. All responses to inquiries on behalf of the Company must be made only by the Company's authorized spokespersons. If any inquiries of this nature are received, comment must be declined and referral to one of the Company's authorized spokespersons must be made.

Notwithstanding the provisions above, nothing in this Code or any other agreement or

Company policy prohibits or restricts you from (i) communicating with government agencies without notice to or approval from the Company, including but not limited to the Securities and Exchange Commission, the Equal Employment Opportunity Commission, or similar state or local agencies or to any legislative body or self-regulatory organization (each, a “Government Entity”) about possible or actual violations of the law, or otherwise providing information to a Government Entity, filing a charge or complaint with a Government Entity, or participating, testifying, or otherwise assisting in Government Entity investigations or proceedings without notice to or approval from the Company, or (ii) making disclosures or communications to engage in protected, concerted activity or otherwise exercising rights under Section 7 of the National Labor Relations Act (each, a “Permitted Activity”). Additionally, nothing in this Code or any other agreement or Company policy limits an employee’s, officer’s, or director’s right to receive an award from any Government Entity for or in connection with information provided to the Government Entity.

Honest and Ethical Conduct and Fair Dealing

Employees, officers and directors should endeavor to deal honestly, ethically and fairly with the Company’s suppliers, investors, competitors and employees. Statements regarding the Company’s real estate products and other services must not be untrue, misleading, deceptive or fraudulent. Unfair advantage must not be taken of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

All lawful obligations to any former employer must be observed. These obligations may include restrictions on the use and disclosure of a former employer’s confidential or proprietary information, restrictions on the solicitation of former colleagues to work at the Company and non-competition obligations.

Protection and Proper Use of Corporate Assets

Subject to the disclosure exceptions noted in the section titled “Confidentiality” (including the exception regarding disclosures in connection with a Permitted Activity (as defined in the bold language in “Confidentiality” above)), employees, officers and directors should seek to protect the Company’s assets, and must use the Company’s assets, property, information, facilities and services solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else.

Employees, officers and directors should advance the Company’s legitimate interests when the opportunity to do so arises. Each must not take for himself/herself (or for the benefit of anyone other than the Company) personal opportunities that are discovered through his/her position with the Company or the use of property or information of the Company.

Gifts and Gratuities

The use of Company funds or assets for gifts, gratuities or other favors to employees or government officials is prohibited, except to the extent such gifts, gratuities or other favors are in

compliance with applicable law (and any applicable policy of the Company), insignificant in amount and not given in consideration or expectation of any action by the recipient. The use of Company funds or assets for gifts to any customer, supplier, or other person doing or seeking to do business with the Company is prohibited, except to the extent such gifts are in compliance with the policies of both the Company and the recipient and are in compliance with applicable law.

Employees, officers and directors must not accept, or permit any member of his or her immediate family to accept, any gifts, gratuities or other favors from any customer, supplier or other person doing or seeking to do business with the Company, other than items of insignificant value. Any gifts that are not of insignificant value should be returned immediately and reported to a supervisor. If immediate return is not practical, they should be given to the Company for charitable disposition or such other disposition as the Company, in its sole discretion, believes appropriate.

Common sense and moderation should prevail in business entertainment engaged in on behalf of the Company. Employees, officers and directors should provide, or accept, business entertainment to or from anyone doing business with the Company only if the entertainment is infrequent, modest and intended to serve legitimate business goals and in compliance with applicable law.

Bribes and kickbacks are criminal acts, strictly prohibited by law. Employees, officers and directors must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world. The Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business.

Accuracy of Books and Records and Public Reports

Employees, officers and directors must honestly and accurately report all Company-related business transactions. Each is responsible for the accuracy of his/her records and reports. Accurate information is essential to the Company's ability to meet legal and regulatory obligations.

All Company books, records and accounts shall be maintained in accordance with all applicable regulations and standards and accurately reflect the true nature of the transactions they record. The financial statements of the Company shall conform to generally accepted accounting rules and the Company's accounting policies. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company's books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation.

It is the policy of the Company to provide full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the Securities and Exchange Commission (the "SEC") and in other public communications.

Concerns Regarding Accounting or Auditing Matters

Employees with concerns regarding questionable accounting or auditing matters or complaints regarding accounting, internal accounting controls or auditing matters may confidentially, and anonymously if they wish, submit such concerns or complaints directly to the Company's Chairman of the Audit Committee, via the method specified and published to employees for reporting matters of this nature. While it is the Company's desire to address such matters internally, no provision of this Code or of any other agreement or Company policy prohibits you from engaging in a Permitted Activity (as defined in the bold language in "Confidentiality" above), without prior notice or reporting to the Company. See "Reporting and Compliance Procedures." All such accounting or auditing matters or complaints or concerns reported using this internal process will be reviewed with the members of the Audit Committee of the Board of Directors. The Audit Committee will evaluate the merits of any concerns or complaints received by it and authorize such follow-up actions, if any, as it deems necessary or appropriate to address the substance of the concern or complaint.

A record of all complaints and concerns received and action taken will be documented and maintained by the Audit Committee.

The Company will not discipline, discriminate against or retaliate against any employee who reports a complaint or concern, unless it is determined that the report was made with knowledge that it was false.

Dealings with Independent Auditors

No employee, officer or director shall, directly or indirectly, make or cause to be made a materially false or misleading statement to an accountant in connection with (or omit to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with) any audit, review or examination of the Company's financial statements or the preparation or filing of any document or report with the SEC. No employee, officer or director shall, directly or indirectly, take any action to coerce, manipulate, mislead or fraudulently influence any independent public or certified public accountant engaged in the performance of an audit or review of the Company's financial statements.

Waivers of this Code of Business Conduct and Ethics

While some of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, in other cases exceptions may be appropriate. Any employee or officer who believes that a waiver of any of these policies is appropriate in his or her case should first contact his or her immediate supervisor. If the supervisor agrees that a waiver is appropriate, the approval of the Company's Senior Operations Officer (or in his/her absence, the Company's Chief Executive Officer or General Counsel) must be obtained. A record will be maintained of all requests for waivers to any of these policies and the disposition of such requests.

Any executive officer or director who seeks a waiver to any of these policies should contact the Company's Senior Operations Officer (or in his/her absence, the Company's Chief Executive Officer or General Counsel). Any waiver of this Code for executive officers or

directors or any change to this Code that applies to executive officers or directors may be made only by the Board of Directors of the Company and will be disclosed as required by law or stock exchange rules.

Reporting and Compliance Procedures

Every employee, officer and director has the responsibility to ask questions, seek guidance, report suspected violations of law or this Code and express concerns regarding compliance with law or this Code. While it is the Company's desire to address matters internally, no provision of this Code or of any other agreement or Company policy prohibits you from engaging in a Permitted Activity (as defined in the bold language in "Confidentiality" above), without prior notice or reporting to the Company. Any employee, officer or director who knows or believes that any other employee or representative of the Company has engaged or is engaging in Company- related conduct that violates applicable law or this Code is encouraged to report such information to his or her supervisor or to the Company's Chief Executive Officer, Senior Operations Officer or General Counsel.

Violations of this Code also may be reported, on a confidential or anonymous basis, by the method specified and published to employees for reporting matters of this nature.

The Company will not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate against an employee because such employee reported a possible or actual violation of law or this Code internally or engaged in a Permitted Activity (as defined in the bold language in “Confidentiality” above). However, if a report is made with knowledge that it was false, the Company may take appropriate disciplinary action against the employee, up to and including termination.

If information regarding an alleged violation of law and/or this Code is received, the Company’s Chief Executive Officer, Senior Operations Officer or General Counsel will, as appropriate, (a) evaluate such information, (b) if the alleged violation involves an executive officer or a director, inform the Chief Executive Officer and Board of Directors of the alleged violation, (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or investigation and (d) report the results of any such inquiry or investigation, together with a recommendation as to disposition of the matter, to the members of the Audit Committee for action, or if the alleged violation involves an executive officer or a director, report the results of any such inquiry or investigation to the Board of Directors or a committee thereof. Employees, officers and directors are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including discharge.

The Company shall determine whether a violation has occurred and, if so, shall determine the disciplinary measures to be taken against any employee involved with such violation. In the event that the alleged violation involves an executive officer or a director, the Chief Executive Officer and the Board of Directors, respectively, shall determine whether a violation has occurred and, if so, shall determine the disciplinary measures to be taken against such executive officer or director. The Company may refer any apparent violation of law to the appropriate governmental or regulatory authorities for investigation or prosecution.

Failure to comply with the standards outlined in this Code will result in disciplinary action which may include, but is not limited to, reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, discharge and restitution. Moreover, any supervisor who directs or approves of any conduct in violation of law or this Code also will be subject to disciplinary action, up to and including discharge.

Dissemination and Amendment

This Code shall be distributed to each new employee, officer and director of the Company upon commencement of employment or other relationship with the Company and shall also be distributed annually to each employee, officer and director of the Company. Each employee, officer and director shall certify having received, read and understood the Code and as to compliance with its terms.

The Company reserves the right to amend, alter or terminate this Code at any time for any reason. The most current version of this Code can be found on the Company’s website.

This document is not an employment contract between the Company and any of its employees, officers or directors.