FRANKLIN STREET PROPERTIES CORP.

RELATED PERSON TRANSACTION POLICY

The Code of Business Conduct and Ethics provides that employees, officers and directors of Franklin Street Properties Corp. (the "Company") must act in the best interests of the Company and refrain from engaging in any activity or having a personal interest that presents a "conflict of interest." In addition, under applicable United States Securities and Exchange Commission ("SEC") rules, the Company is required to disclose related person transactions as defined in the SEC's rules.

The Board of Directors of the Company (the "Board") has adopted this Related Person Transaction Policy to set forth the policies and procedures for the identification, review and approval or ratification of Related Person Transactions (as defined below).

Definitions

For the purposes of this Policy, a "*Related Person*" is:

- Any person who is or was an executive officer, director, or director nominee of the Company at any time since the beginning of the Company's last fiscal year.
- A person who is or was an Immediate Family Member of an executive officer, director, or director nominee at any time since the beginning of the Company's last fiscal year.
- Any person who, at the time of the occurrence or existence of the transaction, is the beneficial owner of more than 5% of any class of the Company's voting securities (a "Significant Shareholder").
- Any person who, at the time of the occurrence or existence of the transaction, is an Immediate Family Member of a Significant Shareholder of the Company.

An "*Immediate Family Member*" of a person is any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of such person, or any other person sharing the household of such person, other than a tenant or employee.

A "*Related Person Transaction*" is any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which the Company was or is to be a participant, the amount involved exceeds $120,000 (or such lower dollar amount as applies under Item 404(d)(1) of Regulation S-K if the Company qualifies as a smaller reporting company at the time of the transaction), and a Related Person had or will have a direct or indirect material interest. Except as otherwise set forth in this policy, "Related Person Transaction" specifically includes, without limitation, purchases of goods or services by or from the Related Person or entities in which the Related Person has a material interest, indebtedness, guarantees of indebtedness, and employment by the Company of a Related Person.

A *"Sponsored REIT"* shall mean any single-asset real estate investment trust managed and controlled by the Company (or any wholly-owned subsidiary thereof) but not wholly-owned by the Company.

The Board has determined that the following transactions, arrangements and relationships do not create a material direct or indirect interest on behalf of the Related Person, and therefore, are not "Related Person Transactions" for purposes of this Policy:

- Interests arising only from the Related Person's position as a director of another corporation or organization that is a party to the transaction.
- Interests arising only from the direct or indirect ownership by the Related Person and all other Related Persons in the aggregate of less than a 10% equity interest (other than a general partnership interest) in another entity which is a party to the transaction.
- Interests arising from both the position and ownership level described in (1) and (2) above.
- Interests arising solely from the ownership of a class of the Company's equity securities if all holders of that class of equity securities receive the same benefit on a pro rata basis.
- A transaction that involves compensation to an executive officer if the compensation has been approved, or recommended to the Board for approval, by the Compensation Committee of the Board or a group of independent directors of the Company performing a similar function.
- A transaction that involves compensation to a director for services as a director of the Company if such compensation will be reported in the Company's public filings pursuant to Item 402(k) of Regulation S-K.
- A transaction that is specifically contemplated by provisions of the Charter or Bylaws of the Company.
- With respect to a Related Person who is a Significant Shareholder or an Immediate Family Member of a Significant Shareholder, interests arising from any indebtedness transaction.
- A transaction where the rates or charges involved in the transaction are determined by competitive bids.
- A transaction that involves the rendering of services as a common or contract carrier or public utility at rates or charges fixed in conformity with law or governmental authority.
- A transaction that involves services as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.
- Interests arising only as a result of a Related Person serving as an officer and/or director of another company or a Sponsored REIT at the request of the Company.
- A transaction that involves the payment by a Sponsored REIT to the Company (or any wholly-owned subsidiary thereof) of customary fees including, without limitation, acquisition, syndication, sales commissions, interim financing and asset management fees.

Identification of Related Persons and Potential Related Person Transactions

Each of the Company's directors, director nominees and executive officers is responsible for promptly informing the Company of the identity of such person's Immediate Family Members and their related entities, including by timely completing questionnaires distributed by the Company as part of its annual meeting process or when a director or executive officer is first nominated, elected or appointed. Based on the information provided by Related Persons and other sources of information the Company may periodically review, the Company will maintain, and periodically update, a list of all known Related Persons and related entities (the "Related Person List").

Each Related Person is responsible for promptly notifying the Company's General Counsel of any proposed transaction, arrangement or relationship of which such Related Person becomes aware that may constitute a Related Person Transaction.

Policies and Procedures for Review, Approval or Ratification of Related Person Transactions

Any Related Person Transaction proposed to be entered into by the Company must be reported to the Company's Chief Executive Officer, Chief Financial Officer, Senior Operations Officer or General Counsel (in either case, the "Reporting Officer") and shall be reviewed and approved by the Audit Committee (the "Committee") in accordance with the terms of this Policy, prior to effectiveness or consummation of the transaction, whenever practicable. If the Reporting Officer determines that advance approval of a Related Person Transaction is not practicable under the circumstances, the Committee shall review and, in its discretion, may ratify the Related Person Transaction at the next meeting of the Committee, or at the next meeting following the date that the Related Person Transaction comes to the attention of the Reporting Officer; provided, however, that the Reporting Officer may present a Related Person Transaction arising in the time period between meetings of the Committee to the Chair of the Committee, who shall review and may approve the Related Person Transaction, subject to ratification by the Committee at the next meeting of the Committee. In addition, any Related Person Transaction previously approved by the Committee or otherwise already existing that is ongoing in nature shall be reviewed by the Committee annually to ensure that such Related Person Transaction has been conducted in accordance with the previous approval granted by the Committee, if any, and that all required disclosures regarding the Related Person Transaction are made.

Notwithstanding anything to the contrary contained in this Policy, transactions involving compensation of executive officers shall be reviewed and approved by the Compensation Committee in the manner specified in the charter of the Compensation Committee.

Standards for Review, Approval or Ratification of Related Person Transactions

A Related Person Transaction reviewed under this Policy will be considered approved or ratified if it is authorized by the Committee in accordance with the standards set forth in this Policy after full disclosure of the Related Person's interests in the transaction. As appropriate for the circumstances, the Committee shall review and consider:

- The Related Person's interest in the Related Person Transaction, including the Related Person's position(s) with, or ownership in, a firm, corporation or other entity that is party to, or has an interest in, the Related Person Transaction.
- The approximate dollar value of the amount involved in the Related Person Transaction.
- The approximate dollar value of the amount of the Related Person's interest in the Related Person Transactions without regard to the amount of any profit or loss.
- Whether the Related Person Transaction was undertaken in the ordinary course of business of the Company.
- Whether the Related Person Transaction is proposed to be, or was, entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party.
- The purpose of, and the potential benefits to the Company of, the Related Person Transaction.
- Any other information regarding the Related Person Transaction or the Related Person in the context of the proposed Related Person Transaction that would be material to investors in light of the circumstances of the particular transaction.

The Committee will review all relevant information available to it about the Related Person Transaction. The Committee may approve or ratify the Related Person Transaction only if the Committee determines that, under all of the circumstances, the transaction is in, or is not inconsistent with, the best interests of the Company and its shareholders. The Committee may, in its sole discretion, impose such conditions as it deems appropriate on the Company or the Related Person in connection with approval or ratification of the Related Person Transaction. No member of the Committee shall participate in any review or approval (or ratification) of any Related Person Transaction in which such member is the Related Person, any Immediate Family Member of such member is the Related Person, or any Significant Shareholder with which such member is affiliated is the Related Person. The review, approval or ratification of a transaction, arrangement or relationship pursuant to this Policy does not necessarily imply that such transaction, arrangement or relationship is required to be disclosed under Item 404(a) of Regulation S-K.