

PS Business Parks, Inc.

Directors' Code of Ethics

1. Applicability. All members of the Board of Directors are expected to adhere to the PS Business Parks Business Conduct Standards, which are set forth on the Company's website (see Corporate Governance page at www.psbusinessparks.com/investor/index.htm) and apply to all Company employees and Board members. In addition, members of the Board are subject to the Directors' Code of Ethics set forth below.

2. Conflicts of Interest. Directors must avoid any situation where the personal and professional interests of the director are adverse to, or may reasonably appear to be adverse to, the interests of PS Business Parks, Inc. While it is not possible to describe all possible conflicts that could develop, the following are some examples of potential conflicts of interest:

- a. *Significant Investments.* Holding a significant financial interest (by the director or an immediate family member) in a current or prospective competitor, supplier or customer, or serving as an employee, consultant or director of that business.
- b. *Gifts.* Directors may not offer, give or receive gifts from persons or entities who deal with PS Business Parks in cases where the gift is being made in order to influence the director's actions as a member of the Board, or where the acceptance of the gift could create the appearance of a conflict of interest.
- c. *Personal Benefits.* Conflicts may also arise when a director, or a member of the director's family, receives improper personal benefits as a result of being a member of the PS Business Parks Board.

Directors should submit information concerning any actual or potential conflict of interest to the Nominating/Corporate Governance Committee before undertaking any such action or investment. Where advance notice is not practicable, notice to the Nominating/Corporate Governance Committee must be given as soon as practicable after the transaction occurs. Board members are expected to pre-clear with the Nominating/Corporate Governance Committee any direct investment (including investments by immediate family members or controlled entities) in any competitor of PS Business Parks (other than purchases of shares in a company that involve less than \$150,000 in the aggregate.) The Nominating/Corporate Governance Committee will consider matters submitted to it and make a recommendation to the Board with respect to any action to be taken, which may include approval, ratification, a decision not to approve or ratify, or other action.

3. Corporate Opportunities. Directors owe a duty to PS Business Parks to advance the Company's legitimate interests when the opportunity to do so arises. Directors are prohibited from (a) taking for themselves opportunities related to PS Business Parks' business; (b) using PS Business Parks property or information for personal gain; or (c) competing with PS Business Parks.

4. Confidentiality and Competitive Information. Directors must maintain the confidentiality of information entrusted to them by PS Business Parks, except when disclosure is authorized or mandated by applicable law. Confidential information includes all non-public information that, if disclosed, might be of use to competitors or harmful to the Company or its customers, if disclosed.

5. Compliance with Laws. Directors will comply and proactively promote Company compliance with applicable governmental laws, rules and regulations, including insider trading laws and the regulations of the American Stock Exchange on which the Company's securities are listed. Directors will encourage the prompt reporting of any illegal or unethical behavior.

6. Protection of Assets. Directors will oversee the Company's policies to protect the Company's assets and ensure their efficient use for legitimate business purposes.

7. Disclosure Standards. Directors will require that the Company's senior financial management make full, fair, accurate, timely and understandable disclosure in reports and documents the Company files with the Securities and Exchange Commission, as provided in the Company's Code of Ethics for Senior Financial Officers.

8. Compliance Standards. Directors should communicate any suspected violations of the Directors' Code of Ethics promptly to the Chairman of the Nominating/Corporate Governance Committee or the Chairman of the Board. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

9. Waivers. Any request by a director for a waiver of the requirements of the Directors' Code of Ethics or the Business Conduct Standards shall be submitted to the Nominating/Corporate Governance Committee in advance of taking any action that might violate these company policies. The Nominating/Corporate Governance Committee will consider the matter and make a recommendation to the Board with respect to any action to be taken. Any waiver will be granted by the Board (without participation of the director involved) only in exceptional circumstances and will be disclosed promptly to shareholders.