

PARKWAY PROPERTIES, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

Parkway Properties' Code of Business Conduct and Ethics (the "Code") summarizes our Core Values and many of the ethical principles and legal policies that we adhere to in our profession. All employees, officers and directors are expected to read the Code and to apply these principles in their daily job responsibilities.

This Code is intended to be a guide for the minimum requirements expected of employees but does not include a detailed description of Parkway policies. If you have any questions or concerns regarding the specifics of any policy or your legal obligations, please contact either your supervisor or Parkway's General Counsel. In addition, our policies and procedures are outlined on Parkway's Intranet.

We encourage the prompt reporting of any illegal or unethical behavior. See "Accounting Concerns" and "Reporting of Any Illegal or Unethical Behavior" below.

Parkway has a strong belief in ethical behavior and retains its rights to discipline employees who do not uphold the provisions of this Code and other Parkway policies and instructions. This Code cannot and is not intended to cover every applicable law or provide answers to all questions that might arise; for that we must ultimately rely on each person's good sense of what is right, including a sense of when it is proper to seek guidance from others on the appropriate course of conduct. This Code is a statement of goals and expectations for individual and business conduct.

GUIDING PRINCIPLES

- All of us should act like ladies and gentlemen. Be honest, fair and trustworthy in all your Parkway activities and relationships. Treat others as you would like to be treated.
- Maintain the highest standard of personal and professional conduct in our dealings with our customers and each other.
- Maintain confidentiality of the Company's confidential information, as well as that entrusted to us by our customers and our employees.
- Strive to create a safe workplace.
- Avoid all conflicts of interest between work and personal activities.
- Recognize and abide by all laws and regulations governing our business conduct.
- Respect the rights of each employee.

- Help make our communities a better place in which to live, work and grow.
- Establish a culture where ethical conduct is recognized, expected and respected.
- We are in the customer retention business. We can build enduring relationships and create shareholder value by anticipating our customer's needs and by serving them better each time we interact.

CONFLICTS OF INTEREST

Parkway seeks to maintain the highest ethical standards of professional conduct in its business relationships. Employees, officers and directors are expected to use discretion, prudence, honesty and integrity in conducting their business affairs and refrain from engaging in any activity or practice that conflicts or appears to conflict with the interests of Parkway.

A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of Parkway. The following represents typical conflict of interest situations; it is not intended to be an all-inclusive listing.

- If an employee or a member of the employee's family has a financial interest in a firm which does business with Parkway (contractors, vendors or professionals), the employee must inform his supervisor in writing and shall not represent Parkway in any transactions with such firm. Such notice shall be routed to the supervisor and then to the People Department for placement in the employee's personnel file. The employee shall not approve invoices or contract payments from firms in which the employee or his family member has a financial interest.
- We recognize that business entertainment and gifts are meant to create good will and sound working relationships, not to gain unfair advantage with customers or suppliers. Neither we nor our family members should accept any gift or entertainment unless it: (a) is not a cash gift, (b) is consistent with customary business practices, (c) is not excessive in value, (d) cannot be construed as a bribe or payoff, and (e) does not violate any laws or regulations. All gifts that are received should be reported to your supervisor and to the People Department.
- You or a member of your family may not give a gift unless: (a) the value of the gift is less than \$100 and the value of all gifts to one business contact during a 12-month period is less than \$250, (b) the gift is not cash, (c) the gift is consistent with customary business practices, (d) the gift cannot be construed as a bribe or payoff, and (f) the gift does not violate any laws or regulations. "Customary business meals" generally are not considered gifts. These are routine meals of reasonable cost provided for business contacts. However, a business meal for an elected or appointed governmental official may be considered a gift under the laws governing the conduct of public officials. Before making any gift to a federal, state, or local government official or employee, confirm its

value and contact the General Counsel to ensure that the gift is in compliance with applicable gift limits and restrictions.

- No employee shall request any favors, donations or special prices for either materials or labor for himself or for members of his family from any contractor, vendor or supplier doing business with Parkway. Should an employee decide to buy from or contract with any supplier or contractor currently doing business with Parkway, he shall make sure that the supplier or contractor understands that Parkway is in no way involved with the transaction and is not responsible for any part of the cost of the transaction and that the transaction should be maintained completely separate from any Parkway transaction. The employee should keep complete records of any such transaction, as well as evidence of his payment for services.
- No employee shall accept full-time, part-time, or temporary employment with any organization that does business with Parkway or that is a customer or a competitor of Parkway without written permission of the employee's supervisor. All part-time employment should be reported to the People Department in accordance with Parkway's personnel policies.
- No employee acting as a licensed real estate broker may take any form of compensation that is not routed through and accounted for by Parkway Realty Services.

Conflicts of interest are prohibited as a matter of Parkway policy, except under guidelines approved by the Board of Directors or committees of the Board. Employees, officers and directors are expected to avoid situations which might be construed or appear as conflicts of interest since it is not feasible in any policy statement to describe all situations and circumstances that might present or have the potential to present conflicts of interest.

If an employee has any question concerning a possible conflict of interest, it shall be the responsibility of the employee to report all pertinent information to the People Department. A director of Parkway that becomes aware of a conflict of interest should bring the matter to the attention of the Corporate Governance and Nominating Committee of the Board of Directors.

CORPORATE OPPORTUNITIES

Employees, officers and directors are prohibited from (a) taking for themselves personally opportunities that properly belong to Parkway or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with Parkway. Employees, officers and directors owe a duty to Parkway to advance its legitimate interests when the opportunity to do so arises.

COMPLIANCE WITH LAWS

All employees, officers and directors shall comply with all laws, rules or regulations applicable to Parkway and the operation of its business. Evidence of a material violation of any such law, rule or regulation shall be promptly reported as set forth in this Code.

UNLAWFUL HARRASSMENT

In keeping with Parkway's culture of respect, it is expected that all employees, officers and directors will treat each other and Parkway's customers and vendors with the utmost respect and dignity. No form of harassment, verbal or physical, will be tolerated. Any behavior that has the purpose or effect of creating a hostile work environment is unacceptable. Sexual harassment is absolutely prohibited. All employees, officers and directors are expected to maintain the highest standards of personal and professional conduct. You are encouraged to report any conduct that you are subject to or observe which violates this policy as provided in this Code.

USE OF INSIDE INFORMATION

The purchase or sale of Parkway securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then trade in Parkway's securities, is prohibited by the federal securities laws.

It is the policy of Parkway that no director, officer or other employee of Parkway who is aware of material nonpublic information relating to Parkway may, directly or through family members or other persons or entities, (a) buy or sell securities of Parkway (other than pursuant to a pre-approved trading plan), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside Parkway, including family and friends. In addition, it is the policy of Parkway that no director, officer or other employee of Parkway who, in the course of working for Parkway, learns of material nonpublic information about a company with which Parkway does business, including a customer or supplier of Parkway or a company of which Parkway expects to purchase or has purchased securities, may trade in that company's securities until the information becomes public or is no longer material.

Information is generally considered "material" if a reasonable investor would consider it important in making a decision to buy, hold or sell securities. Any information that could be expected to affect Parkway's stock price, whether it is positive or negative, should be considered material. Inside information typically includes, but is not limited to, knowledge of pending Parkway business transactions, corporate finance activity, mergers or acquisitions, unannounced earnings and financial results and other significant developments affecting Parkway.

Information is generally considered "nonpublic" unless it has been adequately disclosed to the public, which means that the information must be publicly disclosed and adequate time must have passed for the securities markets to absorb the information. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until 48 hours after the information is released. A longer period may be necessary for particularly significant or complex matters.

You also must comply with Parkway's "Statement of Company Policy on Securities Trades by Company Personnel" and "Statement of Company Policy on Transactions in Company Securities -- Our Pre-Clearance (and Blackout) Procedures", which policy requires that any trade in Parkway stock is cleared in advance. Questions and requests for assistance regarding inside

information should be promptly directed to Parkway's General Counsel. Ultimately, however, the responsibility for adhering to Parkway policy and avoiding unlawful transactions rests with the individual employee.

Insider trading is both unethical and illegal and will not be tolerated.

CONFIDENTIALITY

Employees, officers and directors must maintain the confidentiality of information entrusted to them by Parkway, its business partners, suppliers, customers and others related to Parkway's business. Such information must not be disclosed to others, except when disclosure is authorized by Parkway or legally mandated. Confidential information includes all non-public information that might be of use to competitors or harmful to Parkway, or its customers, if disclosed. Employees, officers and directors should consult Parkway's General Counsel if they believe they have a legal obligation to disclose confidential information.

FAIR DEALING

Each director, officer and employee should endeavor to deal fairly and in good faith with Parkway's customers, shareholders, employees, suppliers, regulators, business partners, competitors and others. No director, officer or employee shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation, fraudulent behavior or any other unfair business practice.

PROTECTION AND PROPER USE OF PARKWAY ASSETS

Parkway assets, such as information, materials, supplies, time, intellectual property, software, hardware, leases and facilities, among other property, are valuable resources owned, licensed, or otherwise belonging to Parkway. Safeguarding Parkway assets is the responsibility of all directors, officers and employees. All Parkway assets should be used for legitimate business purposes only. Without specific authorization, no employee, officer or director may take, loan, sell, damage or dispose of Parkway property or use, or allow others to use, Parkway property for any non-Parkway purposes.

CORPORATE BOOKS AND RECORDS

Each officer, director and employee must ensure that all Parkway documents are completed accurately, truthfully, in a timely manner and properly authorized. Financial activities and transactions must be recorded in compliance with all applicable laws and accounting practices and in accordance with the generally accepted accounting principles designated by Parkway. The making of false or misleading entries, records or documentation is strictly prohibited.

No one should ever create a false or misleading report under Parkway's name. In addition, no payments or established accounts shall be used for any purpose other than as described by their supporting documentation. No undisclosed funds or assets may be established.

No employee, officer or director may take any action to defraud, influence, coerce, manipulate or mislead any other employee, officer or director, or any outside auditor or lawyer for Parkway for the purpose of rendering the books, records or financial statements of Parkway incorrect or misleading.

Errors or possible errors or misstatements in Parkway's books and records must be brought to the attention of your supervisor promptly upon discovery thereof who shall then promptly inform the Chief Financial Officer, the Chief Accounting Officer and/or the General Counsel of any such error or misstatement.

All employees and officers are expected to cooperate fully with Parkway's internal auditors and outside auditors. No employee or officer shall impede or interfere with the financial statement audit process.

ACCOUNTING CONCERNS

Parkway's policy is to comply with all financial reporting and accounting regulations applicable to Parkway. In accordance with Section 301 of the Sarbanes-Oxley Act, the Audit Committee of the Board of Directors has established a toll-free telephone number to call to report on a confidential and anonymous basis (i) complaints regarding accounting, internal accounting controls or auditing matters or (ii) concerns by employees or others regarding questionable accounting or auditing matters. If any employee, officer or director of Parkway has concerns or complaints regarding questionable accounting or auditing matters of Parkway, then he or she is encouraged to submit those concerns or complaints to Parkway's confidential Employee Hotline. The toll-free telephone number for the Hotline is 1-877-874-8416, or concerns can be submitted online at www.alertline.com. You can make confidential, anonymous submissions to the Hotline to voice concerns about violations of this Code, concerns about accounting internal controls or auditing matters, or concerns about questionable auditing or accounting practices. The Hotline is answered by an independent contractor, and any calls or online submissions made to the Hotline will be referred to the Audit Committee on a confidential basis and not to senior management of Parkway. Parkway will not retaliate against anyone who makes good faith reports about suspected improprieties. The Audit Committee will investigate any complaint it receives and take appropriate action. The Audit Committee shall retain as a part of the records of the Audit Committee any such complaints or concerns for a period of seven years.

DOCUMENT RETENTION

Parkway seeks to comply fully with all laws and regulations relating to the retention and preservation of records. All officers, directors and employees shall comply fully with Parkway's policies regarding the retention and preservation of records. Under no circumstances may Parkway records be destroyed selectively or maintained outside Parkway premises or designated storage facilities. This applies to all records, whether held in paper or electronic format.

If the existence of a subpoena or impending government investigation becomes known to an officer, director or employee, he or she must immediately contact the General Counsel. Any questions regarding whether a record or document pertains to an investigation or may be responsive to a subpoena should be directed to the General Counsel before the record or document is disposed of. All officers, directors and employees must retain all records and documents that may be responsive to a subpoena or pertain to an investigation and shall strictly adhere to the directions of the General Counsel in handling such records or documents.

COMPLIANCE WITH INTERNAL CONTROLS AND DISCLOSURE CONTROLS

Parkway strives to provide full, fair, accurate, timely and understandable disclosure in reports that we furnish to the Securities and Exchange Commission and in other public communications. Compliance with Parkway's systems of internal controls and disclosure controls is critical to providing such disclosure.

Parkway has adopted a system of internal controls that must be strictly adhered to by all employees, officers and directors in providing financial and business transaction information to and within Parkway. The internal controls are the backbone of the integrity of Parkway's financial records and financial statements.

Each officer, director and employee shall promptly report any actual or suspected breaches or violations of Parkway's internal controls as well as any actual or suspect fraudulent or questionable transactions or occurrences that come to his or her attention to the Chief Financial Officer, the Chief Accounting Officer and/or General Counsel. Potentially fraudulent transactions include but are not limited to embezzlement, forgery or alteration of checks and other documents, theft, misappropriation or conversion to personal use of Parkway assets, and falsification of records.

Each officer, director and employee is encouraged to bring to the attention of the Chief Financial Officer, the Chief Accounting Officer and/or General Counsel any changes that he or she believes may improve Parkway's system of internal controls.

Parkway has adopted a system of disclosure controls to assure that all important information regarding the business and prospects of Parkway is brought to the attention of the Chief Executive Officer and the Chief Financial Officer of Parkway. The accuracy and timeliness of compliance with those disclosure controls is critical to enabling those officers to provide the financial statement and periodic report certifications required by Federal law.

Each officer, director and employee shall strictly adhere to the system of disclosure controls, including the internal reporting responsibilities assigned to him or her by Parkway.

Each officer, director and employee shall promptly report in accordance with Parkway policy any significant event or occurrence (whether positive or negative) that arises in the course of his or her duties and responsibilities. Events or occurrences include those that affect or may affect

Parkway or its business associates, competitors or industry. General economic conditions need not be reported.

REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. Employees, officers and directors who are concerned that violations of this Code or that other illegal or unethical conduct by employees, officers or directors of Parkway have occurred or may occur should either contact their supervisor, other superiors or the People Department. If they do not believe it appropriate or are not comfortable approaching their supervisors, other superiors or the People Department about their concerns or complaints, then he or she is encouraged to submit those concerns or complaints to Parkway's confidential Employee Hotline. The toll-free telephone number for the Hotline is 1-877-874-8416, or concerns can be submitted online at www.alertline.com. You can make confidential, anonymous submissions to the Hotline to voice concerns about violations of this code, or other suspected illegal or unethical conduct by employees, officers or directors of Parkway. The Hotline is answered by an independent contractor, and any calls or online submissions made to the Hotline will be referred to the Audit Committee of the Board of Directors on a confidential basis and not to senior management of Parkway. Parkway will not retaliate against anyone who makes good faith reports about suspected improprieties. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality will be protected, subject to applicable law, regulation or legal proceedings.

NO RETALIATION

Parkway will not permit retaliation of any kind by or on behalf of Parkway and its employees, officers and directors against good faith reports or complaints of violations of this Code or other illegal or unethical conduct.

AMENDMENT, MODIFICATION AND WAIVER

This Code may be amended, modified or waived by the Board of Directors. Waivers may be granted to executive officers of Parkway only by the Corporate Governance and Nominating Committee or the Board of Directors, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, and the rules thereunder and the applicable rules of the New York Stock Exchange. Waivers for employees who are not executive officers may be given by the Chief Financial Officer or the Chief Accounting Officer.

ACCOUNTABILITY

Appropriate actions will be taken in the event of violations of this Code. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to this Code, and may include written notices to the individual involved in a violation of the Code,

censure, demotion or re-assignment, suspension with or without pay or benefits and termination of the individual's employment. In determining what action is appropriate in a particular case, Parkway shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question has been advised prior to the violation as to the proper course of action and whether or not the individual in question has committed other violations in the past. This Code is not intended to and does not in any way constitute an employment contract or assurance of continued employment, and does not create any rights on any employee, client, supplier, competitor, shareholder or any other person or entity.

SCOPE

This Code does not supersede, change or alter the existing Parkway policies and procedures already in place and communicated to Parkway employees. No Parkway policy can provide definitive answers to all questions. If employees have questions regarding any of the goals, or standards discussed or policies referenced in this Code or are in doubt about the best course of action in a particular situation, the employee should refer to the reporting requirements for that goal or standard as stated in the Code, or the reporting requirements for that policy and contact the person or party designated.

AFFIRMATION

This page is to be signed and returned to the People Department and will be retained as part of your permanent personnel file.

I acknowledge that I have read this Code of Business Conduct and Ethics (a copy of which has been supplied to me and which I will retain for future reference) and agree to comply in all respects with the terms and provisions hereof. I also acknowledge that this Code of Business Conduct and Ethics may be modified or supplemented from time to time, and I agree to comply with those modifications and supplements, as well.

Employee's Signature

Employee's Name (printed)

Date

Failure to read and/or sign this document in no way relieves employees of the responsibility to comply with these standards.

Adopted 8/1/2003
Updated 6/12/06
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