

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event
reported) November 16, 2005 (November 10, 2005)

Build-A-Bear Workshop, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other
Jurisdiction of
Incorporation)

001-32320

(Commission
File Number)

43-1883836

(IRS Employer
Identification No.)

1954 Innerbelt Business Center Drive
St. Louis, Missouri

(Address of Principal Executive Offices)

63114

(Zip Code)

(314) 423-8000

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

Effective November 10, 2005, the Board of Directors of Build-A-Bear Workshop, Inc. (the "Company"), upon a recommendation by the Compensation Committee of the Company's Board of Directors, set the following compensation for non-management Directors:

Board Compensation (Non-Management Directors):

Annual Retainer for Board membership:	\$40,000
Annual Retainer for Audit Committee Chairperson:	\$10,000
Other Committee Chairpersons:	\$ 5,000

In addition, any Board member who reaches mandatory retirement age set forth in the Company's Corporate Governance Guidelines and is asked by the Board to continue to serve the Company in the status of Board member Emeritus will receive an annual retainer fee of \$25,000.

The annual retainer fee payments for the remainder of fiscal year 2005 will be paid on a pro rata basis in relation to time served.

Each non-management Director will also receive a one-time grant of 5,000 restricted shares upon initial appointment to the Board. Non-management Directors will also receive 3,500 restricted shares on an annual basis.

A summary of the Company's compensation arrangements for non-management Directors is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

Item 8.01. Other Events.

On November 10, 2005, the Board of Directors of Build-A-Bear Workshop, Inc. (the "Company") amended its Corporate Governance Guidelines to provide that non-management directors are required to refrain from selling, transferring or otherwise disposing of greater than 50% of their total stock holdings in the Company's stock during any 12-month period beginning with the anniversary date of the Company's initial public offering and ending with the next anniversary date of the Company's initial public offering. The Corporate Governance Guidelines, as amended, are set forth on the Company's Investor Relations website at: <http://ir.buildabear.com> in the Corporate Governance section.

Also on November 10, 2005, the Company's Board of Directors amended its Business Conduct Policy to provide that potential instances of non-compliance with the policy can be reported using an ethics hotline, which will report any reported violations to the Chairman of the Nominating and Corporate Governance Committee. Additionally, the policy was amended to provide that amendments or waivers to the policy will be disclosed within four business days. The Business Conduct Policy, as amended, is set forth on the Company's Investor Relations website at: <http://ir.buildabear.com> in the Corporate Governance section.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	<u>Description of Non-Management Director Compensation.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BUILD-A-BEAR WORKSHOP, INC.

Date: November 16, 2005

/s/ Tina Klocke

Name: Tina Klocke

Title: Chief Financial Bear, Secretary and
Treasurer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	<u>Description of Non-Management Director Compensation.</u>

BOARD OF DIRECTORS COMPENSATION RESOLUTION
BUILD-A-BEAR WORKSHOP, INC.
EFFECTIVE NOVEMBER 10, 2005

WHEREAS, Build-A-Bear Workshop, Inc. (the "Company") recognizes that in order to retain competent and experienced persons to serve as members of the Board of Directors of the Company ("Board members" or "Directors"), and in consideration of the time and effort expended by such persons in rendering such services, it would be in the best interests of the Company to provide for reasonable compensation to its non-management Directors; and

WHEREAS, the Compensation Committee of the Board of Directors, which is tasked with the responsibility for periodically reviewing Director compensation, has analyzed compensation materials derived from the Proxy Statements of publicly traded retail companies, reviewed various Board Compensation surveys, and collected other data and relevant information regarding Board compensation, and has reported upon the same to the Board; and

WHEREAS the Board of Directors believes it has become increasingly difficult for companies to secure and retain quality board members; and the rapid growth of the Company and the expanding complexity of its operations require that the Company must compete against larger companies for quality board members;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby establish that in connection with rendering their services as Board members, each non-management Director shall receive the following compensation, as applicable to such Director:

1. Annual retainer of \$40,000 for Board membership, inclusive of all Board meeting and committee meeting attendance fees.
2. Annual retainer for service as the Audit Committee Chairperson of \$10,000.
3. Annual retainer for service as the Chairperson of any committee established by the Board other than the Audit Committee, of \$5,000.
4. Reimbursement for reasonable out-of-pocket expenses actually incurred in connection with participation and/or attendance of Board and Committee meetings.

RESOLVED FURTHER, that the Annual retainer fees for Board members and Committee Chairpersons will be paid in four (4) equal quarterly payments at the end of each fiscal quarter. Newly-appointed Board members and/or Committee Chairpersons will be paid on a *pro rata* basis in relation to time served during their first calendar quarter of service.

RESOLVED FURTHER, that, subject to approval of the Compensation Committee, upon each non-management Director's initial appointment to the Board, such Director shall receive a one-time grant of five thousand (5,000) restricted shares of common stock of the Company, in accordance with the Build-A-Bear Workshop, Inc. 2004 Stock Incentive Plan, as amended and as administered by the Compensation Committee, which shall vest at the rate of thirty-three and one-third percent (33 1/3%) per year over a period of three (3) years after the date of such grant.

RESOLVED FURTHER, that, subject to approval of the Compensation Committee, in consideration for each year of service by a non-management Director, such Director shall receive a one-time grant of three thousand five hundred (3,500) restricted shares of common stock of the Company, in accordance with the Build-A-Bear Workshop, Inc. 2004 Stock Incentive Plan, as amended and as administered by the Compensation Committee. These annual grants will be issued in conjunction with the next Board meeting occurring after the anniversary date of the Company's October 28th initial public offering (at the very beginning of the applicable year of service), subject to Compensation Committee approval. New non-management Board members appointed after this Board meeting shall receive upon the date of their appointment a *pro rata* grant amount of restricted shares (in relation to time to be served between the date of appointment and the next anniversary date of the initial public offering), in consideration for their partial year of service, subject to approval of the Compensation Committee and in accordance with the Build-A-Bear Workshop, Inc. 2004 Stock Incentive Plan, as amended and as administered by the Compensation Committee.

RESOLVED FURTHER, that, if a Board member retires at the mandatory retirement age set forth in the Company's Corporate Governance Guidelines, then subject to approval of the Compensation Committee, such retiring Board member's remaining unvested restricted stock may, upon such retirement (at the time of the Annual Meeting in which the Board member is ineligible for re-election), be accelerated by the Compensation Committee in its discretion.

RESOLVED FURTHER, that any Board member whom reaches the mandatory retirement age set forth in the Company's Corporate Governance Guidelines, and whom is asked by the Board, and agrees, to continue to serve the Company in the status of Board member Emeritus, shall receive the following compensation, as applicable to such Director:

1. Annual retainer fee of \$25,000 for Board membership, inclusive of all meeting attendance fees, to be paid in the same manner as with respect to other Board members, premised upon regular and active Board meeting attendance as set forth in the Corporate Governance Guidelines.
 2. Reimbursement for reasonable out-of-pocket expenses actually incurred in connection with participation and/or attendance of board and committee meetings.
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This Resolution shall become effective as of November 10, 2005. Compensation for services rendered by Board members prior to the effective date of this Resolution shall be governed by the previous compensation structure. The Annual Retainer fee payments described in this Resolution shall be paid for the remainder of fiscal year 2005 on a *pro rata* basis in relation to time served.