Chesapeake Financial Shares, Inc.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Our Shareholders:

The Annual Meeting of Shareholders of Chesapeake Financial Shares, Inc. will be held on Friday, April 1, 2016, at 4:00 P.M. in the auditorium at Rappahannock Westminster-Canterbury, 132 Lancaster Drive, Irvington, Virginia, for the following purposes:

1. To elect ten (10) directors to serve for the ensuing year; and

2. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Shareholders of record at the close of business on February 29, 2016, will be entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

By Order of the Board of Directors



Rebecca A. Foster
Secretary

March 7, 2016

Even if you plan to attend the Annual Meeting, please sign, date, and return the enclosed proxy in the postpaid envelope provided. If you attend the Annual Meeting you may withdraw your proxy and vote your own shares.

Chesapeake Financial Shares, Inc.
97 North Main Street
Post Office Box 1419
Kilmarnock, Virginia 22482

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
APRIL 1, 2016

GENERAL

The enclosed proxy is solicited by the Board of Directors of Chesapeake Financial Shares, Inc. (the "Company") for the Annual Meeting of Shareholders of the Company to be held on Friday, April 1, 2016, at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. The approximate mailing date of this Proxy Statement and accompanying proxy is March 7, 2016.

Revocation and Voting of Proxies

Execution of a proxy will not affect a shareholder's right to attend the Annual Meeting and to vote in person. Any shareholder who has executed and returned a proxy may revoke it by attending the Annual Meeting and requesting to vote in person. A shareholder may also revoke his proxy at any time before it is exercised by filing a written notice with the Company or by submitting a proxy bearing a later date. Proxies will extend to, and will be voted at, any adjourned session of the Annual Meeting.

Voting Rights of Shareholders

Only shareholders of record at the close of business on February 29, 2016, the record date, are entitled to notice of and to vote at the Annual Meeting or any adjournment thereof. As of the close of business on February 29, 2016, 4,013,476 shares of the Company's common stock, par value $5.00 per share, were outstanding and entitled to vote at the Annual Meeting. The Company has no other class of stock outstanding. A majority of the votes entitled to be cast, represented in person or by proxy, will constitute a quorum for the transaction of business. Shares for which the holder has elected to abstain or to withhold the proxies' authority to vote (including broker non-votes) on a matter will count toward a quorum, but will not be included in determining the number of votes cast with respect to such matter.

Each share of the Company's common stock entitles the record holder thereof to one vote upon each matter to be voted upon at the Annual Meeting.

ELECTION OF DIRECTORS

The Bylaws of the Company provide that the Board shall consist of not less than five nor more than eleven directors, with the exact number within such limits to be fixed according to the number elected by the shareholders. The Board is nominating ten persons as directors of the Company for 2016. The persons named below will be nominated for election to serve until the next annual meeting and until their successors have been duly elected and have qualified.

It is the intention of the persons named in the proxy to vote for the election of the ten nominees named below. The election of each nominee requires the affirmative vote of the holders of a plurality of the shares of common stock cast in the election of directors. If for any reason any of the persons named below should become unavailable to serve, then the proxies will be voted for such substitute nominees as the Board of Directors may designate. Management has no reason to believe any of the nominees will be unavailable.

Nominee (Age)	Director Since	Principal Occupation For the Last Five Years	Number of Shares Beneficially Owned as of February 29, 2016 (1)	
Eugene S. Hudnall, Jr. (77)	1983	Owner and Operator of Kilmarnock Mini Storage, Kilmarnock, Virginia	45,422 (1.1%)	
John H. Hunt II. (68)	2015	Executive Vice President and Business Development for Chesapeake Investment Group since July 1, 2014; formerly served as Chief Financial Officer of the Company and the Bank Kilmarnock, Virginia	124,418 (3.1%)	(4)
Thomas E. Kellum (45)	2006	Vice President, W. Ellery Kellum, Inc., seafood processor, Weems, Virginia	5,724*	
Craig J. Kelly (70)	2013	Managing Director of Creekside Consultants, Kilmarnock, Virginia	6,565*	
Douglas D. Monroe, Jr. (82)	1982	Vice Chairman of the Board of the Company; Chairman Emeritus of the Bank since 2001	925,868 (23.1%)	(2)
Bruce P. Robertson (70)	1999	Retired, Former CEO of Shirley Pewter Shops, Inc., Williamsburg, Virginia	20,455*	
William F. Shumadine, Jr. (71)	1997	Retired, Former President, Central Fidelity Bank, Richmond, Virginia	43,298 (1.1%)	
Robert J. Singley (65)	2004	President, RJS & Associates, Inc., commercial real estate brokerage, Williamsburg, Virginia	13,394*	
Jeffrey M. Szyperski (54)	1999	Chairman of the Board of Directors, Chief Executive Officer & President of the Company and of the Bank	260,860 (6.5%)	(3) (4)
Thomas G. Tingle (58)	2007	Architect, President of Guernsey Tingle Architects, PC, Williamsburg, Virginia	22,599*	

* Represents less than 1.0% of the total outstanding shares of common stock.

(1) For purposes of this table, a person is deemed to be the beneficial owner of shares of the Company's common stock if he or she has or shares the power to vote or to direct the voting of the security or the power to dispose of or to direct the disposition of the security, or if he has the right to acquire beneficial ownership of the security within 60 days.
(2) Includes: 384,200 shares held by Mr. Monroe as trustee of several trusts.
(3) Includes: (i) 57,846 shares which are held by Mr. Szyperski's spouse; (ii) 60,480 shares that may be acquired pursuant to presently exercisable stock options; and (iii) 68,808 shares held in trust for his children, nieces, and nephews for which he serves as trustee.
(4) Includes shares of common stock that are restricted stock holdings as follows: Mr. Hunt, 1,960 shares, and Mr. Szyperski, 7,500 shares. The shares are subject to a vesting schedule, forfeiture risk and other restrictions. These shares can be voted at the Annual Meeting.

The Employee Stock Ownership Plan adopted by the Company holds 257,808 shares of common stock for the benefit of the employees participating in the plan, of which all are allocated to participants in the plan and will be voted in accordance with their directions. The trustees have neither voting rights nor any investment or dispositive power with respect to the shares allocated under the plan, other than as directed by plan participants.

INDEBTEDNESS AND CERTAIN TRANSACTIONS

In calendar year 2015 and up to the present time, there were transactions between the Bank and certain officers and directors of the Company and the Bank and their known associates, all consisting of extensions of credit by the Bank in the ordinary course of its business. Each transaction was made on substantially the same terms, including interest rates, collateral, and repayment terms, as those prevailing at the time for comparable transactions with the general public. In the opinion of management, none of the transactions involved more than the normal risk of collectability or presents other unfavorable features. Thus, the Bank has had, and the Bank expects to have in the future, banking transactions in the ordinary course of its business with the officers and directors of the Company and the Bank and their associates on the same terms, including interest rate, collateral, and repayment terms on loans, as those prevailing at the same time for comparable transactions with others.

2017 ANNUAL MEETING OF SHAREHOLDERS

It is contemplated the 2017 Annual Meeting of Shareholders will be held on or about Friday, April 7, 2017. In order for any appropriate shareholder proposal to be included in the proxy materials of the Company for the 2017 Annual Meeting of Shareholders, it must be received by the Secretary at the Company's principal place of business on or before January 2, 2017.

OTHER MATTERS

As of the date of this Proxy Statement, the management of the Company has no knowledge of any matters to be presented for consideration at the Annual Meeting other than those referred to above. If any other matters properly come before the Annual Meeting, the persons named in the accompanying proxy intend to vote such proxy, to the extent entitled, in accordance with the recommendation of the Board of Directors.

By Order of the Board of Directors



Rebecca A. Foster
Secretary