Purpose: The purpose of the study was to determine the relationship between board characteristics and firm financial diversification (geographic sales) among listed firms on Nairobi securities exchange, Kenya: static panel approach.

Methodology: Fisher and Levin-Lin-Chu tests were used to test the presence of unit root in the series under study. Hadri residual-based Lagrange multiplier test was used to determine the feasible model.

Results: Results revealed existence of positive and significant relationship between interlock directorship and geographic diversification as positive and significant directors' remuneration had a negative and significant effect on firm's geographic sales, while operational risk negatively varied with geographic sales Agency Theory, free cash flow hypothesis Resource Based view theory provided theoretical framework. Directors' remuneration negatively impacted geographic sales but did not explain diversification in relation to national sales. This study affirmed the managerial heuristics as determinant of firm financial diversification providing support to the convectional financial dimensions of firm performance particularly ROE, ROI and EPS.

Unique contribution to theory, practice and policy: The Government of Kenya and Capital Market regulator should enact and implement legislations that guides on interlock directorship, directors remuneration diversity and tolerable operational risks as determinants of diversification